



UNIVERSITY OF
PLYMOUTH

Annual Report and Financial Statements

Year ended 31 July 2021

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Annual Report and Financial Statements

Year ended 31 July 2021

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Drake's Place Gardens, Plymouth



We are pleased to present the University of Plymouth's Annual Report and Financial Statements for 2020/21



C I J H Drummond OBE DL



Professor J Petts CBE

A continuing global pandemic with a series of national lockdowns and the UK's formal departure from the European Union made for a uniquely challenging higher education landscape this year. Despite these quite unprecedented circumstances, the University's robust, long-term approach to planning and sustainable investment has ensured delivery of a surplus after tax for 2020/21 of £6.3m. This is against income of £239.4m, which is a 5.0% improvement relative to 2019/20 and supported by a cash and investments balance of £155.2m as at 31 July 2021.

These figures only begin to tell the story of a successful year and the work that has gone into delivering upon the institution's strategic objectives. Against a rapidly moving, often unpredictable, and occasionally contradictory backdrop as far as government policy was concerned, our academics and professional services have worked together to find practical and effective solutions to every problem, demonstrating innovative thinking and rapid delivery. It should be a source of great pride that we have continued to perform at the highest levels in research and teaching while achieving changes to systems and delivery that might otherwise have taken years to accomplish.

This was undoubtedly the case for our Teaching and Learning and Student Services, whose teams had to plan for an academic year in which the only guarantee was the unexpected. Many of the changes that were made at pace in 2019/20 were retained in a strategically blended approach, including: increased digital delivery and remote access for lectures; the retention of an academic 'safety net' and amendments to academic regulations to support student progression; and the movement of key support services online, such as peer assisted learning programmes. The result was a COVID-19-secure learning and working environment, and a high quality, accessible and engaging student experience. Furthermore, we delivered a mass testing centre

on campus at pace just before the new year (and operated through to the summer), supporting students at Plymouth College of Art as well.

The third national lockdown from January onwards caused further disruption. Instead of a staggered resumption of face-to-face learning, we had to restrict our returning students to those on degrees such as medicine and dentistry, health and education and those requiring professional, statutory and regulatory body assessment. By March, we were able to welcome back students on further practical or practice-based courses that required access to specialist equipment or facilities. But this still left a significant proportion of our students unable to resume their face-to-face studies, and despite strong lobbying, through Universities UK, MPs and ministers, and the media, they were not permitted to return until mid-May. We also lobbied accommodation providers to encourage them to do all they could to alleviate some of the financial hardship endured by those students who were paying for accommodation they could not use. The University dispersed almost £1.3m in hardship support to students, and additionally, waived a proportion of the rents for our own managed accommodation.

Throughout, we have kept open our research laboratories and our staff have continued to deliver impressive research and innovation. While the country's exit from the European

Union and cuts to funding budgets for overseas development are undoubtedly a cause for concern, our teams have continued to secure UK Research and Innovation (UKRI) funding for significant new projects, particularly in marine science, marine renewable energy, sustainable soils and health technologies. The work our researchers are delivering is consistently of internationally-leading quality, whether finding evidence of microplastics at the summit of Mount Everest or playing leading roles in the testing for new anti-viral drugs that might assist in the ongoing response to COVID-19. As a result, our University is well placed to respond to the opportunities as well as the challenges, and is contributing to the initiatives to ‘build back better’ in our region and beyond especially in the key areas of marine, environment and health.

We continue to progress our campus masterplan at pace in support of our Strategy 2030, heralding an exciting re-landscaping of the University’s estate. For example, in March, we opened our new Brain Research & Imaging Centre (BRIC), the most advanced multi-modal brain imaging facility in the South West. Boasting seven laboratories, including an MRI suite, BRIC promises to transform our capabilities in the field of human neuroscience – and enhances our health and medicine ‘cluster’ in the north of the city. This year, we also commenced work on an exciting refurbishment and extension of the Babbage Building on the main campus, which will not only create a state-of-the-art engineering and design facility, but will unlock several other phases of the masterplan, including the removal of the ageing Brunel Laboratories and the creation of green space and new

access routes through the campus. Work also began on the transformation of the old Intercity House, at Plymouth Railway Station, to create a new flagship home for nursing and allied health.

The University has maintained its strong recent performance in the national league tables. In the *Times Good University Guide 2021*, the University climbed 17 places to 59th. In the *Guardian University League table* the University has continued its significant upward trajectory over the last 4 years such that it is now 41st. In the *Times Higher Education Impact Rankings 2021*, the only global performance tables that assess universities against the United Nations’ Sustainable Development Goals (SDGs), Plymouth was ranked in the top 25 of the world (23rd out of 1,100 universities). Significantly, within that, the University was ranked first globally in respect of SDG 14 – Life Below Water. This is an outstanding achievement and a ringing endorsement of our excellence in all aspects of sustainability. It celebrates decades of building on our core strengths, investing in research teams and facilities and, in particular, it reinforces our leadership in all things marine and rightfully positions us at the global forefront of this field. The University plays a key role in the cultural landscape of the city and region. This year, we saw the opening of The Box, the city’s exciting new history centre and gallery, a project supported from inception by the University. Its location has not only reshaped the western edge of our campus – establishing the heralded cultural quarter – but provides new teaching space for the Faculty of Arts, Humanities and Business. It has also enabled the University to integrate its

public arts programme more closely with The Box and other providers.

Our University is dedicated to its mission of advancing knowledge and transforming lives. This report provides just a few examples of our impact and achievements during 2020/21. None of this would be possible without the huge commitment of our staff and students, and the support of a wide range of partners and stakeholders – all of whom we thank for their engagement with, and confidence in, the University of Plymouth.

C I J H Drummond OBE DL

Pro-Chancellor and
Chair of the Board of Governors

Professor J Petts CBE

Vice-Chancellor and CEO

Facts & Figures

18,000+
STUDENTS
AND A FURTHER
7,300 STUDYING
FOR A PLYMOUTH
QUALIFICATION
AT PARTNER
INSTITUTIONS
IN THE UK
& AROUND THE
WORLD 

TOP 25
in the world
for impact on
**SUSTAINABLE
DEVELOPMENT**

1st for
impact on
'LIFEBELOW
WATER'

THE IMPACT
RANKINGS 2021


ENGAGED
WITH OVER
3,500

businesses in 2020–21
creating collaborations
and connections benefiting
both the **student** and
academic communities

**SUPPORTING
STUDENTS:
DISPERSED ALMOST
£1.3m
IN HARDSHIP
FUNDS**



THE QUEEN'S
ANNIVERSARY PRIZES
FOR HIGHER AND FURTHER EDUCATION

**3 TIMES
WINNERS**

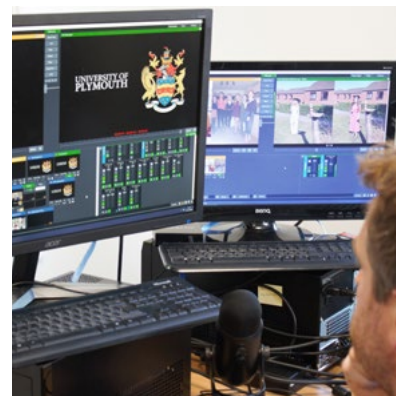
RANKED
JOINT **3RD**
for leading the way
in taking action CARBON TARGETS RANKING
on the

CLIMATE EMERGENCY
& ecological crisis



Roland Levinsky Building

Public Benefit



Peninsula Medical School virtual graduation
[photo credit First Sight Media]

Our Strategy – University 2030: A Future of Excellence*

The Core Principles outlined in our Strategy 2030 – Quality; One Team; and Reputation and Sustainability – are underpinned by three strategic priorities: deliver excellent education and research; nurture outstanding students and staff; and drive global connectivity that makes a difference. The two key indicators of success will be to achieve a top 30 ranking in national league tables and a top 250 ranking in international league tables.

Strategy 2030 is delivered through the Strategic Implementation Plan (SIP), approved by the Board of Governors during the year. The SIP includes phased activities with agreed Key Performance Indicators (KPIs). The annual planning process ensures that Faculties and Professional Services align their activities to the 2030 goals.

Examples of these activities are included in the sections below which include: Education and student experience; Research; Enterprise and Knowledge Exchange; Civic Engagement and Service, as part of the Public Benefit Statement; Sustainability and Climate Action; and Corporate Responsibility.

* plymouth.ac.uk/strategy

Education and Student Experience

The quality of the University's education and the student experience it provides underpins its academic and institutional reputation. At the heart of that remains face-to-face teaching and learning, whether through lectures and seminars, laboratory classes or field trips, and tutorials or peer engagement.

Many of the changes that the University made in 2019/20 in response to the pandemic were retained in 2020/21, providing a blended learning experience that supported our students to succeed and progress in their studies, while keeping everyone safe and maintaining the quality and standards of Plymouth's awards. Amendments to processes such as extenuating circumstances, extensions, referrals and placements were all designed to reflect the added hardship that our students might face. To support online learning, particularly

from December when it became the norm for many students, the University also put in place a range of additional help, such as facilitated study and feedback sessions, AcaTED talks, learning resources, blogs and videos.

Preparing students for their careers and helping them to secure valuable life and employment skills is an essential element of the University's education – and never more so than now. For 2020/21, alongside the well-established year-in-industry placements, the Careers Service expanded a micro-internships scheme adding to its portfolio of work-based opportunities. It also further developed a support package for finalists and recent graduates to help them in the current challenging job market, with a telephone campaign to finalists from the last two years, and a follow-up telephone campaign and support package for

the 2019/20 graduates, nine months after graduating. This support came as part of a continued enhancement and restructuring of digital tools and systems (including piloting a new artificial intelligence bot) to improve student navigation and self-directed access to 24/7 careers information, advice and guidance.

The Careers Service also embarked on a major programme of curriculum support for a number of subjects, ensuring careers education is now fully and systematically embedded across programmes and that it complements 'on-demand' central services. This curriculum support included a new one-day 'Enhance Your Future' development programme for first years, with overwhelmingly positive feedback from students. The programme was designed to ensure students engage with career thinking and action planning from an early



Student Hub in the Charles Seale-Hayne Library

stage of their University experience, allowing sufficient time for them to acquire the relevant skills, experience and networks to ensure they are competitively placed to compete for the best graduate roles.

All student support services, including those in the Student Hub, pivoted to online delivery, with many gradually phasing back to COVID-19-secure face-to-face service delivery towards the end of the year. Many of these recorded hugely increased usage, such as the Digital Writing Café, which increased numbers by 50%. Indeed, the café was cited by the Office for Students in its report, *Gravity Assist: Propelling higher education towards a brighter future*, saying it was one of the most innovative examples of how universities and colleges had responded to the pandemic through online support. The report, commissioned by the Secretary of State for Education, and led by Sir Michael Barber, (then) Chair of the OfS, said the café was an example of how some institutions had succeeded in 'embedding inclusion' in their services. Another example of this in action was the COVID-19 Advice Team, who placed thousands of calls to isolating students to offer practical and emotional support.

With the pandemic placing an even greater emphasis on student mental health and wellbeing, Student Services implemented year 2 of its Suicide Safety Strategy. This ensured that same-day mental health support

was provided, online and in-person, alongside an additional investment of 220 counselling hours for students in response to the pandemic. In partnership with the University of Plymouth Students Union (UPSU), Student Services launched a Prevention of Sexual Violence and Misconduct Strategy. Addressing the sector-wide focus on campus safety, the strategy introduced an inaugural 'Talk About Sex' week full of talks and events to promote positive conversations about consent, relationships, and sexual health.

The 2021 National Student Survey reflected the impact of the pandemic, with universities across the HE sector recording an average reduction of 8% in their overall satisfaction score. Plymouth saw its figure fall from 84% to 75%, which nevertheless was still above the HE sector median and our OfS provider specific benchmark. The University also recorded some outstanding results at subject level. For example, six areas were ranked in the top five for overall satisfaction, including Ophthalmics (1st in the country) and both Medicine and Dentistry (3rd), and five more in the top ten. Seven courses, including History of Art, Design and Architecture (1st), Architecture (2nd) and Ecology and Environmental Biology (2nd), were in the top five for Teaching, with a further three in the top ten. For Assessment and Feedback, nine subjects were in the top five, and seven in the top ten; and there were seven subjects in the top five for

Academic Support, and an additional five in the top ten.

The University has a strong record of external recognition for its teaching culture, and 2020/21 continued that trend when, for a second year running, two academics in the Faculty of Health were awarded National Teaching Fellowships (NTFs) by Advance HE. Dr Cathy Coelho, Associate Professor in Clinical Dental Education, and Dr Lucy Spowart, Associate Professor in Postgraduate Education, were both recognised for their contribution to teaching, taking the total number of NTFs received by the University to 27. Another academic in the Faculty – Dr Tina Joshi – was shortlisted in the prestigious *Times Higher University Awards* in the Most Innovative Teacher category and, the University's MSc Cyber Security programme has been formally recognised by the National Cyber Security Centre (NCSC). The MSc, run by the School of Engineering, Computing and Mathematics, has been awarded NCSC provisional certification, which acknowledges the academic content of the programme and the expertise and facilities that students can access.

At the heart of the University's Strategy 2030 is a clear and continued commitment to social mobility, particularly around access, success and progression. In respect of access, 94.5% of the University's entrants were from state schools, with the percentage of new entrants from low participation neighbourhoods

Sir Michael Barber, (then) Chair of the Office for Students (OfS), on his visit to the University to learn of its inspiring work in championing social mobility, widening participation and knowledge exchange

being 15.1%. An analysis of the most recent Access and Participation Plan data received from the Office for Students has revealed that the University has improved against all objectives in the past 12 months. In respect of Continuation, for example, the gap analysis revealed that the gaps between mature and young students and low participation quintiles 1 and 5 had closed by almost 3 points. In the Attainment category, the gap analysis showed substantial reduction of all the gaps, by over 13 points for BAME, almost 10 points for Black vs White students and circa 8 points for those with high indices of multiple deprivation.

Across its External Relations Directorate and Faculty teams, the University undertook nearly 200 virtual outreach activities and this commitment to school engagement continued during national lockdowns. Through online activities, the University has had 6,617 interactions with school/college students and their parents across a range of areas, backgrounds and locations. With the easing of government restrictions, events will transition to a mixture of face-to-face and virtual formats.

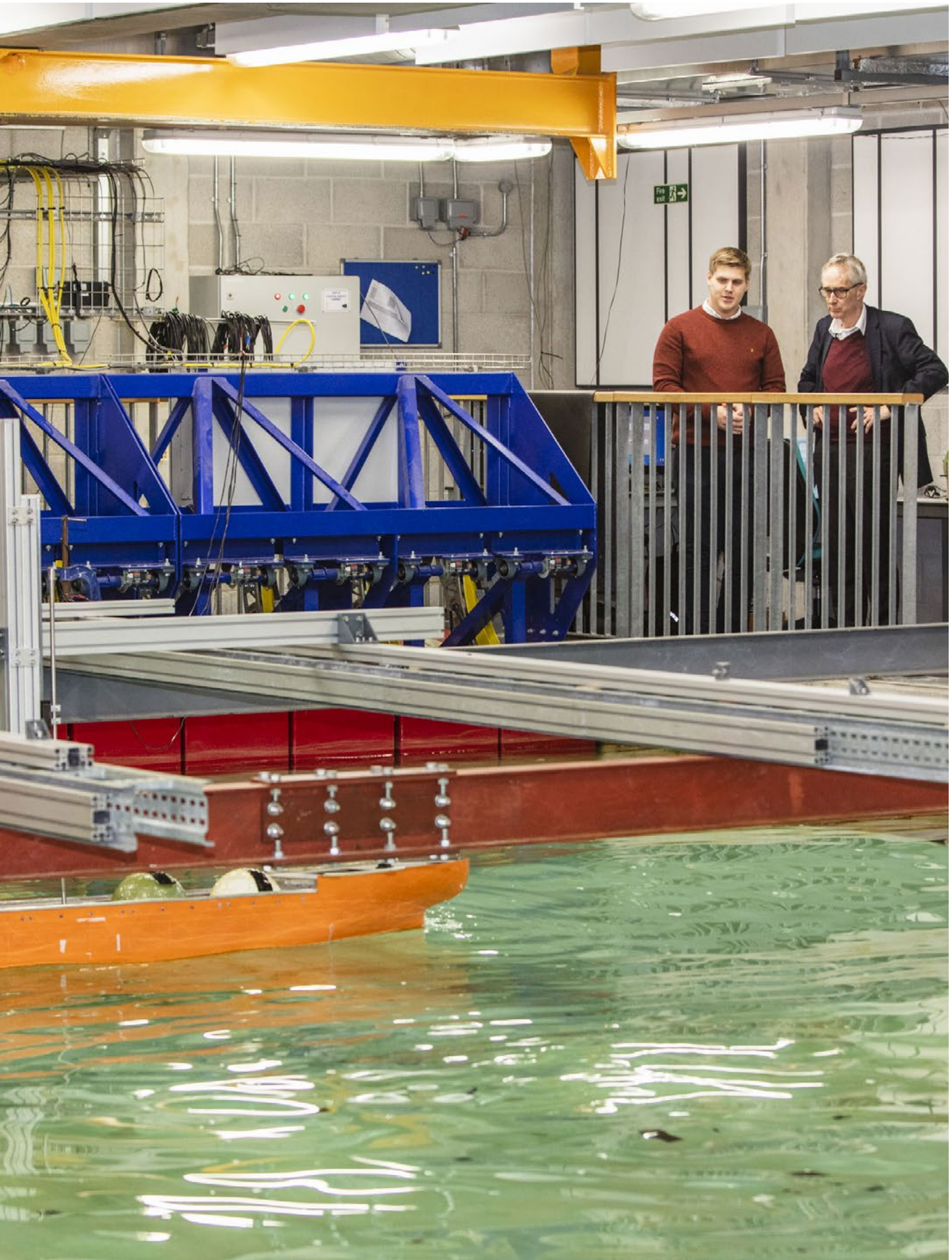
A few examples of targeted activities include:

- IT courses delivered with the Racial Equality Council
- Taster days for looked-after young people and pre-16 campus visits to build higher education aspiration and encourage attainment

- Two mentoring schemes in schools through CoachBright and MyTutor to raise attainment and aspirations
- Physical and mental health support sessions run with targeted groups in schools and colleges
- A CPD conference for teachers and advisers supporting the Service Children's Progression Alliance
- Purchase of musical instruments and equipment for widening participation students to learn a musical instrument from home through the University's Junior Academy music tuition scheme
- Collaborative University of Plymouth and Next Steps South West virtual Marine Conservation Day with employers, school pupils, teachers and leading researchers in marine conservation.

The University's long-standing further education partnerships across the South West facilitate access to higher education opportunities for those who do not have the educational qualifications and/or are unable to leave their locality due to work and care considerations. More than 7,300 new students enrolled at partner colleges this year – in excess of 4,000 in the UK and 3,250 internationally.







Dr Imogen Napper, International Marine Litter Research Unit



Artist impression of the new engineering and design Building

Research

The University undertakes impactful, world-leading research by sustaining its peaks of excellence and by growing a critical mass of research in related emerging areas such as agri-technology, antimicrobial resistance, brain research, creative economies, and cybersecurity. Three strategic interdisciplinary research institutes – Marine, Sustainable Earth, and Health and Care – provide an important cross-institutional mechanism for furthering major collaborative research in the core areas.

This year, the University completed its submission to the Research Excellence Framework (REF) 2021 exercise. This sector-wide activity assesses the research of staff, the impact of their outputs, and the University environment that supports them. The assessment is carried out via appointed experts, five of whom are based at the University, sitting on panels arranged into 34 Units of Assessment (UoAs). It marked the end of an intensive five-year process to identify the quality outputs of more than 470 eligible research active staff, and the development of nearly 50 impact case studies and 18 Environment Statements relating to the UoAs. The results will be revealed in 2022 – when the University will learn how these translate into Quality-Related (QR) research funding and impact on future league table positioning.

To deliver upon its strategy, the University invests in, and supports the

development of, its research culture. One of the ways it does this is through investment in its estate and facilities, providing state-of-the-art laboratories, equipment and technology to facilitate scientific, medical and artistic endeavours. In the past year, for example, the University has opened its Brain Research & Imaging Centre (BRIC), the most advanced multi-modal brain imaging facility in the South West. With its seven cutting-edge human research laboratories, including an MRI suite with the most advanced 3-Tesla scanner available, BRIC will critically advance the University's research in human neuroscience.

The University has also now been granted planning permission for its new engineering and design facility. Designed by internationally award-winning architectural practice Feilden Clegg Bradley Studios, the new Babbage Building will include a dedicated new-build component and refurbishment of the existing 1970s facility, creating more than 10,000m² of research and teaching space.

The University's Marine Building has been at the forefront of marine renewable energy research and development since its opening in 2012 – and a new grant has taken its capabilities to the next level. Supported by the Engineering and Physical Sciences Research Council, a grant of more than £1m has introduced, for the first time, wind generation technology, making

the Coastal, Ocean and Sediment Transport (COAST) laboratory the first in the UK to be able to offer physical modelling experiments with wind, wave and currents simultaneously. Also, in the field of marine research, the year was notable for the launch of important strategic partnerships, for example with the Royal Navy, and internationally with Ocean University China.

In the city, Marine Research Plymouth was formally announced on World Oceans Day and brings together the University with the city's other two world-renowned scientific institutions – Plymouth Marine Laboratory and the Marine Biological Association – to facilitate even greater collaboration on major projects and ventures, encourage joint investment in research appointments and support the sharing of capabilities, equipment and facilities.

The following are examples of major research breakthroughs by University academics this year.

- The International Marine Litter Research Unit earned the distinction of identifying the highest recorded microplastics ever found on earth, close to the summit of Mount Everest. Samples collected as part of National Geographic and Rolex's Perpetual Planet Everest Expedition in 2019 were analysed at the University and found to contain substantial quantities of polyester, acrylic, nylon, and polypropylene fibres.



The University receiving the Queen's Anniversary Prize for Higher and Further Education for its pioneering research on microplastics pollution – February 2020



Marine Biology Students out in the field

- Researchers in the Faculty of Science and Engineering also published a major study into how a ship's container lost overboard in the North Atlantic resulted in printer cartridges washing up across a wide area – from the coast of Florida to northern Norway. Writing in the journal *Environmental Pollution*, the researchers found the items weathered to form microplastics, and that the cartridges travelled on average between 6cm and 13cm per second, demonstrating how quickly buoyant items can be dispersed across the oceans.
- Medical researchers made a significant breakthrough in cancer treatment after they found that a simple blood test could reduce, or in some cases replace, the need for intrusive surgery when determining the best course of treatment for patients with a specific type of brain tumour. The team at the Brain Tumour Research Centre of Excellence identified a biomarker that helps to distinguish whether meningioma – the most common form of adult primary brain tumour – is grade I or grade II, thus potentially impacting the likely treatment.
- A team of psychologists found that people living near green space were 20% less likely to smoke, and those who do, were 12% more likely to quit. Using data of 8,000 adults from the Health Survey for England, the first of its kind study was published in *Social Science & Medicine* and was led by Plymouth in collaboration

with counterparts at the Universities of Vienna and Exeter.

- A University historian used virtual festival FUTURES2020 to unveil new findings into the events of an infamous incident during World War II that could have changed the course of the D-Day landings. Dr Harry Bennett uncovered eye-witness accounts that showed that Exercise Tiger – a rehearsal event that ended in tragedy when German S-boats torpedoed three US vessels near Lyme Bay, killing 749 US servicemen – was close to becoming even more damaging as a second fleet of specialist landing craft encountered the Germans minutes later. Thankfully, British destroyers pursuing the S-boats chased them from the area, and no further loss of life or specialist craft occurred.
- Researchers from the University led an international team of scientists, spanning 45 institutions in 17 countries, to call for a dedicated decade of research to ensure better understanding of the deep seas. Ahead of the United Nations Decade of Ocean Science for Sustainable Development, they developed a detailed blueprint – published across two research papers, one in *Nature Ecology and Evolution* and the other in *Frontiers of Marine Science* – of what they believe is needed and how it can be achieved.

Despite a degree of uncertainty in the funding landscape – particularly

in relation to overseas development, the strength of Plymouth's world-class research led to research income of £16.7m and new awards totalling £16.6m being secured in 2020/21, for projects that have a real economic, environmental or social impact, for example:

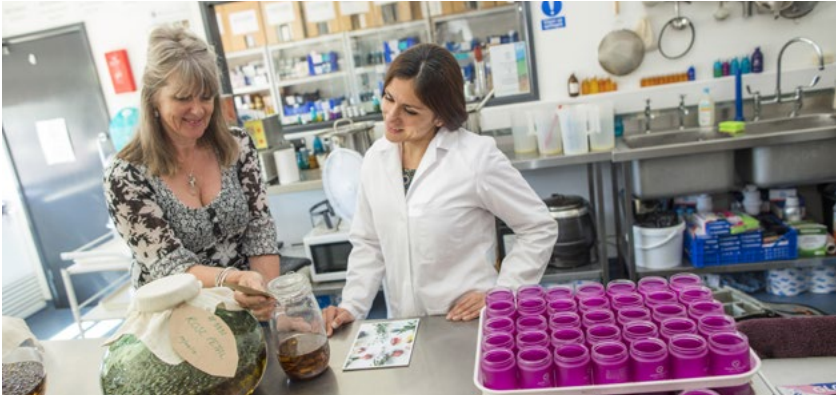
- £2.6m from the Natural Environment Research Council (NERC) for a four-year project led by the University to assess how biodegradable products and packaging break down and, in turn, whether they affect species both on land and in the marine environment.
- A £1.1m UKRI Future Leaders Fellowship to Earth Sciences Lecturer Dr Zoe Mildon to enable her to develop a new means of modelling the earthquake cycle.
- Around £1.3m to the University, in a total funding sum of £6.4m, for the Cornwall FLOW (Floating Offshore Wind) Accelerator.
- £2.5m from the National Institute for Health Research for a collaborative project involving Plymouth and other researchers from the region, which will investigate whether an intensive group-based behavioural programme called PROGROUP is less costly and more effective than the usual care for people with severe obesity.
- £1.6m awarded for a three-year project between the University's Centre for Health Technology and the University of Stirling to further explore how digital resources can

Dr Michael Jarvis, The Vaccine Group

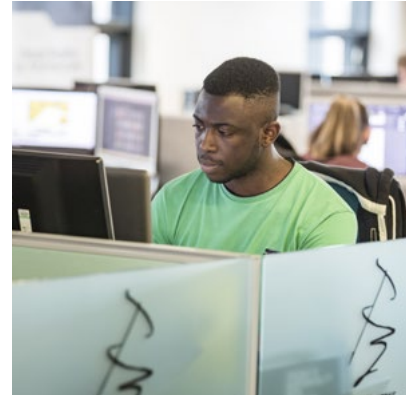
help maintain the health of older people.

- €4m awarded to a cross-channel partnership, including the University, which will use underwater acoustic tracking technology to identify the environmental conditions needed by a range of important marine species.
- Around £600,000 awarded to the University for its role in a collaborative, UKRI Strategic Priorities Fund project, which will work to improve access to healthy, sustainable food for disadvantaged communities.
- A grant in excess of £455,000 from NERC for the University's involvement in the three-year TYRE-LOSS project, which will research the precise fate and impact of tyre particles in the marine environment.
- A £200,000 grant from the UK National Quantum Technologies Programme for researchers to work with counterparts at Oxford to investigate the potential impact of Quantum Computing on the music industry.
- A €2.5m award, supported by €1.8m from the European Regional Development Fund via the Interreg France (Channel) England programme, for the ReCon Soil project that will investigate whether waste from the construction industry and dredged sediments could provide a safe and sustainable source of healthy soils.





The University's researcher working with a local business



A student working on his business plans in The Cube

Enterprise and Knowledge Exchange

The University has a strong focus on delivering real-world impact through knowledge exchange and support for innovation, engaging with businesses, stakeholders and funders, and promoting public engagement and understanding of its research.

In 2021, the UKRI Knowledge Exchange Framework (KEF) released its inaugural results and a set of interactive dashboards to enable HEIs to better understand and improve their performance in this field, as well as provide businesses and other users with more information to help them access world-class knowledge and expertise. The KEF groups universities of similar profiles to enable meaningful benchmarking, with Plymouth placed in a cluster of large universities who are typified by elements such as: a broad discipline portfolio generating a level of world-leading research across all areas and significant research funding by government bodies (Cluster E).

In two of the seven KEF perspectives, Plymouth achieved notable rankings:

- Local Growth and Regeneration, where the University is in the top 10% of all HEIs
- IP and Commercialisation, where the University is in the top 20%.

In total, the University engaged with 3,500 businesses in the 12 months across 2020/21, creating connections and collaborations that benefitted students and the academic community, as well as generating commercial income and

forming positive long-term business partnerships. Enterprise Solutions (ES) – the gateway for businesses seeking to work with the University – fielded 1,500 business enquiries, with many of these being converted into opportunities involving a range of specialist expertise, state-of-the-art facilities and the talent of the University's students and graduates.

This year, ES developed a new R&D Solutions Fund to help academics forge new collaborations with industry. More than 70 academics engaged in the process with a further 70 industry partners, resulting in £200,000 of investment being awarded to ten research projects. ES also continued to develop knowledge exchange opportunities with organisations including the Plymouth Manufacturers' Group via the Partnership Bond, Chambers of Commerce, Ministry of Defence and large industry partners such as Princess Yachts – with whom it signed a Memorandum of Understanding – Pepsi and EDF Energy. Specifically, The Cube, the University's student enterprise and entrepreneurship programme, delivered a series of pioneering events and training during the year, as well as providing access to specialist advice, workshops, mentors and experts-in-residence. The initiative engaged with 1,500 students to help them on their enterprise journey, particularly those with ambitions to launch their own start-up or who are intending to work in a micro-business or SME. Through

the institution's partnership with Santander Universities, The Cube was able to support more than 70 students and graduates with business start-up and development funding worth £60,000.

The University manages and operates a number of key innovation and incubation facilities across the region. The three Innovation Centres in Cornwall, managed on behalf of Cornwall Council, play an important role in generating innovation and supporting local growth, as well as being a platform for academic and student engagement. During the pandemic, the three centres remained open and COVID-19-secure to enable their customers to continue trading. They have continued to support early-stage businesses with flexible workspace solutions, and despite a most challenging year, has seen only an 8% reduction in the number of clients based across the centres. In particular, the Health & Wellbeing Centre at Treliske has played an important part in Cornwall's COVID-19 response by hosting a vaccination clinic for healthcare workers and a COVID-19 saliva testing lab on behalf of Royal Cornwall Hospitals NHS Trust.

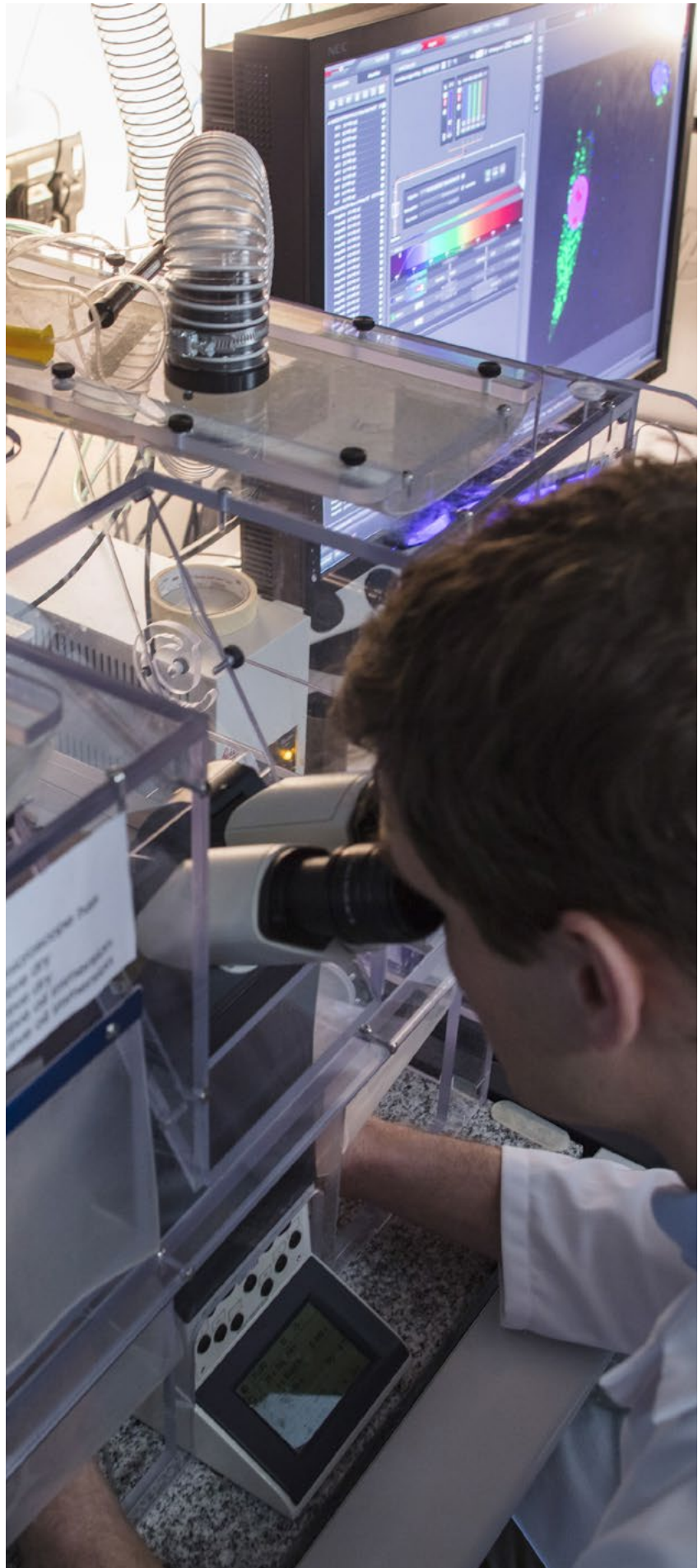
There was further support for Cornwall with the launch of the Innovation Studio, a new platform enabling SMEs to access fully-funded tools and resources to help them develop their business. Built by the design agency Vitamin Cornwall, the Innovation Studio has been created through the



Cornwall Innovation Centre

£3.4m grant Acceleration Through Innovation 2 (ATI2) programme – led by the University and part-funded through the European Regional Development Fund. ATI2 also used a Virtual Pop-up Centre Facebook group to support Cornish companies in the November 2020 lockdown, building on the earlier success of the physical Pop-up Innovation Centres in high streets and industrial estates across the county.

The University, through its co-ownership of Plymouth Science Park (PSP), is also deeply invested in the innovation landscape of the city of Plymouth. PSP is thriving and in 2020/21, welcomed 18 new businesses and supported the expansion of seven existing ones. One of the biggest developments of the year saw PSP awarded a £1m grant from the Heart of the South West Local Enterprise Partnership to create a new Health Technology Innovation Hub. The centre will support the growth of the region's health tech sector and will deliver clean room life science laboratories and specialist metal 3D printing capabilities that can produce clinical grade implants for surgery – a first for the region outside of Bristol. In 2020/21, PSP also supported the expansion of the University's Peninsula Medical School, by providing a new multi-purpose learning environment for students. The new space includes Microsoft HoloLens technology, enabling students to be 'virtually' present with a consultant as they treat patients.



Plymouth Science Park



Offshore wind turbines

It has been another successful year for the Brixham Laboratory. The waterfront research and development facility, which the University acquired from AstraZeneca in 2014, is 95% occupied with 25 tenant organisations, providing over 200 jobs and attracting investors, innovators and customers from Europe, Asia and America. The two anchor tenants, EFFECT Photonics and Scymaris, continue to grow and expand in the photonics and life sciences sectors. Other marine-based organisations like Offshore Shellfish, ARC Marine and University spinout Molendotech continue to thrive at Brixham, collaborating with the University through placement and employment opportunities, and grant funded research.

The University's Plymouth Electron Microscopy Centre (PEMC) is another key facility in the science and innovation landscape. Thanks in part to a £1m grant from the European Regional Development Fund (ERDF), the centre will have double the number of microscopes currently available and an increased number of staff to operate them. It will also advance the support available to the local business and research community, enabling the University to work with more companies and establish a mentoring network of those that have either benefitted from – or are interested in accessing – the innovative technology.

Over the course of the year there were further successful bids to the

ERDF. For example, the University received £1.3m towards the Cornwall Floating Offshore Wind (FLOW) Accelerator, which will enable it to employ additional research capacity in areas including autonomous systems, operation simulation and data integration, as well as fund the procurement of a new navigation simulator to complement existing capabilities in the Marine Building. The University also secured £800,000 to fund a further three years' work, supporting research and development growth as part of the Marine-i project.

It has been another year of growth and investment for the University's spinout companies, all of which have been incorporated from cutting-edge research in science and medicine and developed with the support of Frontier IP. For example, in May, Pulsiv, a developer of unique power conversion technology, completed a second round of equity funding and raised a total of £2m from new and existing investors, including a £250,000 investment from the UK government's Future Fund, which was established to support innovative businesses through the COVID-19 outbreak. Fieldwork Robotics, which is developing a range of harvesting robots to support the agriculture sector, announced several investments during the year, including an £84,000 Innovate UK continuity grant, a Sustainable Innovation Fund grant of £145,000 and £675,000 in equity fundraising from existing and new investors. The proceeds will

enable Fieldwork to accelerate scale up of a raspberry harvesting robot to bring it to market, and embark on the development of a cauliflower-harvesting robot in collaboration with Bonduelle, one of the world's largest vegetable producers. Throughout the year, the University has contributed to the work in the city and region to develop economic recovery plans, including the Build Back Better plan and innovation strategy for the Heart of the South West Local Economic Partnership. Both capitalise on the marine and maritime and environmental expertise and industrial collaboration that underpin the University's success.



Professor Anthony Caleshu from the School of Society and Culture, giving a poetry reading

Civic Engagement and Service

With around 2,500 members of staff and 18,000 students in the city, the University plays a major role in the socioeconomic fabric of the region, upholding the values of the Civic University. Students contribute to the community through activities aligned to their academic programme of study and sports, societies and volunteering activities coordinated via the Students' Union (UPSU). UPSU's strong 'communities' agenda consists of a wide range of activities that enhance the student experience, promote employability and contribute to the wider community.

Placements, internships, work-based learning, community-based student projects and consulting engage students with industry relevant learning that promotes employability and enhances workforce development. This year, for example, four students from the School of Biological and Marine Sciences launched the national Ambassadors of Earth initiative to find 100 young people willing to take a proactive role in climate-related projects in their local community. Students in the Peninsula Medical School, meanwhile, delivered online reading sessions to local primary school pupils as part of a project to boost literacy in the city. Across the health spectrum, students earn valuable experience in treating patients, while also making an important contribution to community wellbeing. In optometry, 4,379 people walked through the doors of the Centre for Eyecare Excellence and

the Wellbeing Centre this year. Of these, 2,456 were treated by student optometrists and 814 were new patients. The clinics remained open throughout the academic year and were able to provide continuing services to the public, with capacity reduced in student clinics to ensure safe social distancing.

The University's award-winning Law Clinic, which offers real advice and assistance to clients in the Plymouth community across a range of legal areas, established a new physical location on the University campus to assist with its operation. The space, coordinated by law students and supervised by staff, provides a meeting place for students to get hands-on experience while providing a vital service to the local community.

At the Dental Education Facilities in Derriford, Devonport, Truro and Exeter, University students and staff at the Peninsula Dental Social Enterprise (PDSE) CIC treated 5,115 NHS patients, across 22,481 appointments. Despite the challenges presented by lockdown, students developed and delivered meaningful and effective community engagement projects as part of their Inter-Professional Engagement module. These ranged from making instructional tooth brushing videos, providing PPE activity packs for young people with additional needs and breathing exercises with school pupils to deal with COVID-19 anxiety. Students from the BDS Dentistry and BSc (Hons)

Dental Therapy and Hygiene courses worked with 12 host organisations across the city to deliver oral health and information sessions, reaching more than 200 people. It was for such impactful work that the PDSE was named the South West Regional Winner in The Health Equalities Award category of the NHS Parliamentary Awards 2020, after being nominated by Luke Pollard, MP for Plymouth Sutton and Devonport.

The COVID-19 pandemic and the lockdown enabled the University to demonstrate its civic engagement in a number of ways. Staff and students volunteered hours of their time – as well as resources – to make a difference. Activities included:

- The University's dietetics experts hosted a series of free talks to share nutrition and diet advice that might aid those recovering from COVID-19. Funded by the British Dietetic Association, the talks were co-organised with University College London Hospitals NHS Foundation Trust, Bournemouth University, Imperial College London, Guy's and St Thomas' NHS Foundation Trust, and NHS Greater Glasgow and Clyde. These were particularly aimed at people who have or are living with the effects of COVID-19, and their carers.
- Academics in the School of Society and Culture (previously the School of Humanities and Performing Arts) delivered a ground-breaking poetry project – Poetry and COVID-19



Sustainability Hub

– which saw the publication of more than 1,000 poems by 600 poets, through an anthology and interactive website. An impact assessment by the University’s social, economic and market research institute, SERIO, recorded an overwhelmingly positive response from participants in relation to their wellbeing.

- An education expert produced a range of kitchen science videos to support parents home-schooling during the winter 2021 lockdown.
- The University’s first cohort of Professional Nurse Advocates completed their training – a new programme aimed at providing support to staff in the NHS.
- A photography student released a book to raise awareness and money for foodbanks in Plymouth, who were operating round-the-clock during lockdown.
- A medical student worked with The Cube, the University’s business creation and growth service, to create a video to say ‘thank you’ to the NHS.

The University engages the public through a range of events and programmes across the cultural and artistic spectrum. Social distancing restrictions and lockdowns fundamentally impacted the institution’s ability to host in-person events, and 2020/21 saw the cancellation or postponement of many exhibitions and programmes,

including many linked to the city-wide Mayflower commemorations. Despite the challenges, however, the University held a total of 66 events – many online – drawing an audience of nearly 19,000. With the cancellation of the traditional Graduation ceremonies in September 2020, the Events Team put on 12 Virtual Graduations in February 2021, which were attended by more than 2,300 students and 10,000 guests.

The University manages the Children’s University for Devon and Cornwall. There are now 100 ‘passport providers’ including primary schools, secondary schools, home education groups and learning destinations, and over 5,000 students with passports engaging in the Children’s University activities across Devon and Cornwall.

Sustainability and Climate Action

Sustainability

Plymouth's commitment to sustainability is embedded in its corporate strategy, and this year this strategic intent has been emphasised through the Strategic Implementation Plan and new supporting plans: Digital, Estate and International. The impact of that longstanding commitment was revealed when the University was named as one of the top 25 institutions in the world, in a performance table that assesses higher education institutions against the United Nations' Sustainable Development Goals (SDGs). Plymouth was ranked 23rd out of more than 1,100 universities in the *Times Higher Education* Impact Rankings 2021, and saw notable success in several of the individual tables linked to specific SDGs, including:

- 1st globally in relation to SDG 14: Life Below Water, recognising the quality of the University's marine research and teaching as well as its efforts to reduce the impact of campus activities on the marine environment
- 9th worldwide in relation to SDG 17: Partnerships for the Goals, for its efforts to support the SDGs through collaboration with other countries, the promotion of best practices and the publication of data
- 19th in the world in SDG 2: Zero Hunger, recognising its research on hunger, its teaching on food sustainability and its commitment to tackle food waste and address hunger among students and local communities.

There was further league table recognition as well, when the University was ranked 3rd in the UK for education carbon reduction targets

to tackle the climate emergency, by Carbontargets.uk 2021.

Through the publication of its biennial *Sustainability Report*^{*}, published in accordance with the internationally recognised Global Reporting Initiative guidelines for sustainability disclosure, the University holds itself publicly accountable while also seeking to inspire other organisations to be more ethical and environmentally conscious. The key headlines in this year's full report, which covers sustainability performance over two years from August 2018 to July 2020, these include:

- Carbon emissions (scope 1 and 2) fell in 2019/20 – assisted by lockdown – but the overall picture remains a positive one with a 24% fall since 2017/18 (62% reduction on the benchmark 1990 data).
- Over time the size of the estate has more than doubled, but emissions per floor area are continuing to reduce from 219 KgCO₂e/m² in 1990 to 32 KgCO₂e/m² in 2019/20.
- Electricity use has decreased by 13% since 2005–06.
- Gas use has decreased by 42% since 2005–06.
- Water use has decreased by 15% in the last two years, both per student and per person (including staff), and now stands at a reduction of 48% since 2005/06.
- With fewer staff and students on campus, waste generation naturally fell by 56% taking the total back to 2011 levels. The proportion of waste recycled rose to 58% but our target still remains at 70%.

Teaching and curriculum development are key components of the University's sustainability work. The Centre for Sustainable Futures (CSF) continues to facilitate staff and students co-constructing innovative sustainability education opportunities. In 2020/21 the CSF community of practice made a significant contribution to the writing of revised guidance on Education for Sustainable Development (ESD)[†] by the Quality Assurance Agency for Higher Education and Advance HE. Published in March 2021, this guidance makes particular reference to the University's approach to developing 'future fit' students who can be sustainable and civic change leaders through engagement with an active, participatory and interdisciplinary pedagogy.

This applied learning approach uses the campus and the Sustainability Hub as a space for student innovation, co-creation and research. At the same time, community partnership working across the city of Plymouth and local area offers place-based learning opportunities where our students are engaged with Education as Sustainability. One specific example of this place-based practice that has been developed in 2020/21 is the Low Carbon Devon Internship Programme. This programme, funded through the European Regional Development Fund, offers short term paid internship opportunities to students and recent graduates to work on carbon reduction projects with locally-based enterprises.

The Sustainable Earth Institute (SEI) has continued to provide opportunities through which academics can engage with businesses, community groups and individuals to collaborate on



global challenges. These have included: e-Voyager, which has resulted in the launch of the UK's first seagoing electric ferry; ReCon Soil, a €2.5m cross-Channel collaboration investigating whether waste from the construction industry and dredged sediments could provide a safe and sustainable source of healthy soils; and a new food research project that is working with disadvantaged communities to jointly imagine new solutions to address a lack of access to healthy, sustainable food. Work has also begun on the construction of a new building on campus, as part of the award-winning CobBauge project. The single-storey facility will be constructed from an upgraded version of cob and will act as a living laboratory and demonstration site for sustainable construction experts in the School of Art, Design and Architecture.

There was a considerable focus on knowledge exchange events during the year around the topic of the climate emergency. In June, the Sustainable Earth 2021 conference drew an audience of more than 1,100, with five keynotes, 20 guest speakers, 12 action workshops and 40 'marketplace sessions' across the key themes of the built environment, mobility and transport, energy, food and diet, economy and resources, behaviour change, arts and climate, carbon offsetting, and policy. The SEI also worked with the Royal Institute of British Architects (RIBA) to run a series of fortnightly webinars, Future Plymouth 2030, that welcomed leading experts to discuss topics ranging from the practical skills and technologies required to design and build better performing new buildings; how to tackle the retrofitting of existing buildings; biodiversity and carbon

sequestration; and the behaviour change required to achieve these goals.

The G7 Summit in Cornwall prompted significant University activity to showcase its expertise in many key areas of international interest. Through the Plymouth Perspectives campaign, some of our world-leading researchers shared their expert analysis on exactly what the G7 should examine, including the very real global health threat in the form of antimicrobial resistance; sustainable action needed on land and sea to address the climate change crisis; tackling education inequality; and driving global corporation taxes and investment into natural disaster infrastructure. In addition, seven thought leadership pieces were published by *The New Statesman*, and academics conducted extensive interviews in the international, national and regional media. Starting on World Oceans Day, three days before the summit, the University was a partner in a project that launched seven scientific monitoring devices into the sea in Cornwall – one for each G7 nation – to increase understanding of how plastic pollution behaves in the marine environment. The University's expertise in agri-tech and robotics was showcased as part of an exhibition in Falmouth, which aimed to demonstrate how the South West is driving ingenuity and innovation across the agriculture, robotics and sustainability sectors. Finally, strategic marketing was procured across the Duchy, and the University was also a sponsor of the South West Chamber Conference, C7, which included experts speaking on behalf of the University and chairing a panel.

Corporate Responsibility

Modern slavery statement

The University is committed to acquiring goods and services for its use without causing harm to others. As a University, we continue to act ethically and with integrity in all business relationships, and continually improve our systems and controls to ensure slavery and human trafficking is not taking place in our supply chains. Further details can be found in the University's Slavery and Human Trafficking Annual Statement published on our website at plymouth.ac.uk/procurement

Equal pay statement

The University is committed to equality of opportunities for its staff and students and, as part of this commitment, carries out an equal pay review every two years. This important review ensures that employees are paid at the same rate of pay for carrying out equal or 'like' work and that our pay and reward mechanisms are fair, free from bias and transparent.

Gender pay gap reporting

The University publishes its gender pay gap data together with a gender pay gap report providing explanatory text and actions each year. The current gender pay gap report, including our successes to date and planned actions to make further improvements to close the pay gap, is published on our website at plymouth.ac.uk/equality

Athena SWAN

We are long-standing members of the Athena SWAN Charter, a national initiative that provides framework,

support and guidance for higher education institutions to identify and address gender inequality in higher education and research. The University holds a Bronze Athena SWAN award, as well as Bronze awards in numerous schools. We also hold a Silver award in the Peninsula Dental School, Peninsula Medical School and School of Biomedical Sciences. The University is on track to achieve our institutional target of all schools holding at least a Bronze award by 2023 (extended deadline due to impact of COVID-19). Further details are available in our Annual Equality Report, published on our website at plymouth.ac.uk/equality

Race Equality

The University places great importance on equality, diversity and inclusion and as part of our commitment to tackle race inequality the University will make a submission to Advance HE's Race Equality Charter by July 2022. Further information is available on our website at plymouth.ac.uk/equality

Trade union facility time

The University has a formal Recognition Agreement with the trade unions – UCU, UNISON, BMA and GMB – and maintains a constructive partnership that contributes to supporting our strategic aims and makes a positive contribution to the success of our organisation. As required by the Trade Union (Facility Time Publication Requirements) Regulations 2017, the University published the following information about paid facilities time given to our trade union representatives for the period 1 April 2020 – 31 March 2021.

This information is available on our website at plymouth.ac.uk/trade-union-report

Fundraising statement

The University seeks to build sustainable relationships with external stakeholders who can support the University's strategic aims in a number of ways. These include being ambassadors for the University and its activities, as well as supporting the University through philanthropic donations. The University has adopted the Funding Regulator's voluntary code of practice to ensure its fundraising activities are of the highest professional and ethical standard.

Financial Review

Overview and outlook

This year has seen a uniquely challenging higher education landscape due to the continuing global pandemic. There has been uncertainty around student recruitment, which has generated increased competition and the need for a continued blended offering whilst pandemic restrictions have remained in place. Despite additional injections of short-term funding from the government during the pandemic, uncertainties continue for the economic outlook and the Government's recovery plans in relation to Higher Education policy and fees and funding regimes. This year does however start to see a recovery of the demographic dip in undergraduate age population and more positively national and regional recovery will also present opportunities in research and education with an expectation of ongoing student growth for the sector.

Building financial resilience remains a key strategic objective for the University as we continue to realise our future ambitions through the implementation of the longer-term strategy 'University 2030: A future of Excellence'. This is underpinned by our Strategic Implementation Plan monitored through relevant KPIs and underpinned by the annual review of our 5-year budgets and forecasts.

The financial strategic approach is defined under the enabling priority of 'Reputation and Sustainability' in the University's Strategy 2030. The aim is to generate sufficient funds for continued investment in the University campus and technology. The investment strategy is reviewed regularly to consider

changing requirements and student expectations and to ensure the University remains in a robust financial position.

In response to the immediate challenges of the pandemic, the University applied a number of risk assumptions to the 2020/21 budget and has, through a revised comprehensive financial and operational plan, delivered a surplus before tax of £7.1m (£6.3m after tax) and an improved and robust cash and cash equivalents position of £155.2m as at 31 July 2021. The University's liquidity days at 31 July 2021 are 239 days (2019/20: 221 days). Despite Covid-19 we have felt confident to maintain University capital investment from our own funds in two substantial building refurbishment and enhancement projects.

Each year we review our 5-year forecasts and consider any adjustments required to realign the success of delivering the strategy. In July, we approved the budget for 2021/22 which modelled different scenarios, including more ambitious student number targets in response to the recovery of the demographic dip, whilst identifying cost reductions to mitigate risk. We remain confident in delivering the approved budget outturn. For the outer years, we have revised our income targets in the light of enrolment data to respond to the short and mid-term impact of student recruitment, enhanced sector competition and the rising cost pressures from demand shortages and inflation. International students have maintained a strong position in the sector and are a continued area for development for the University. In both our likely and optimistic forecasts, we see growth in income

and cash generation over the next 5 years.

The 5-year forecast is subject to on-going risks including, the Government's response to the Post-18 Education review; potential caps on student numbers; changes in fee regimes; and the continued lack of inflationary protection in the current capped student fee policy. The pressure on servicing pension liabilities continues and was increased further by the impact of the pandemic on global markets, which will add to the challenge of generating future increased surpluses required for capital investment. We have negotiated a change in terms of our Lloyds covenant removing the impact of pension volatility and the current forecast projections indicate all covenants will be met.

Whilst recognising these challenges the Executive are confident that the University of Plymouth is in a good position to deliver its 2030 Strategy and remains financially sustainable over the next two years and beyond.

The University made an operating surplus, before other gains including the share of the operating surplus of the joint venture and tax, of £7.5m (2019/20: £3.7m). The operating surplus before non-cash pension costs of £20.4m (2019/20: £12.6m) was £27.9m (2019/20: £16.3m). The operating surplus of £7.5m was generated on an income of £239.4m, up by 5.0% on 2019/20 (£228.0m).

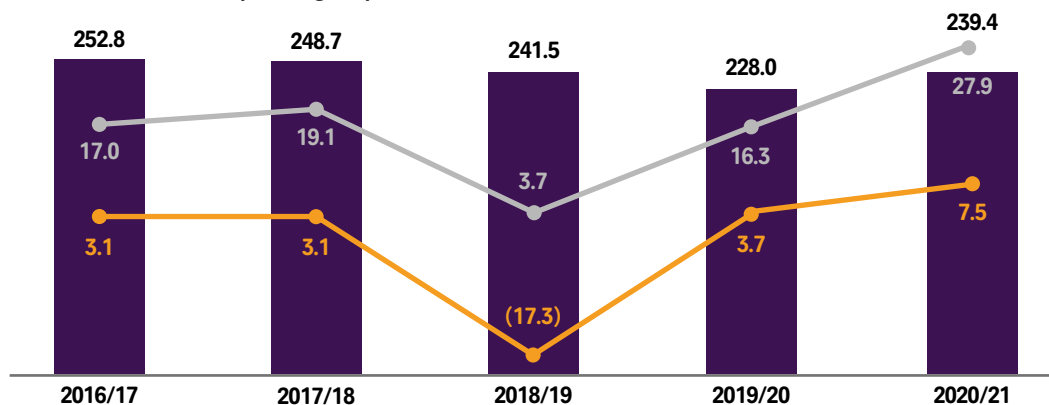
Earnings before interest, tax, depreciation and amortisation (EBITDA) has increased from £37.8m to £47.2m. The University continues to deliver significant positive cashflows with cash generated from operations of £40.5m (2019/20: £34.3m).

Net assets have increased to £16.1m from £4.9m (2019/20: decreased to £4.9m from £99.9m). This is mainly due to the increase in the cash and

cash equivalents of £19.9m and tangible fixed assets of £7.9m offset by the increase in the pension liability of £15.2m (2019/20: £111.5m). This is due to the increase in the LGPS liability as a result of the net impact of changes in financial assumptions, notably the discount rate which has increased from 1.40% to 1.60%, reflecting the market conditions for corporate bonds as at 31 July 2021, and the inflation linked pension

Operating surplus

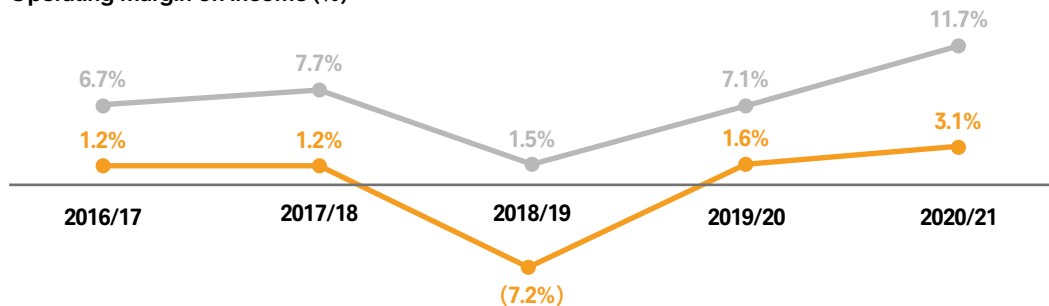
Total income (£m) vs operating surplus (£m)



■ Total income — Operating surplus/(deficit)* — Operating surplus excluding non-cash pension and related costs

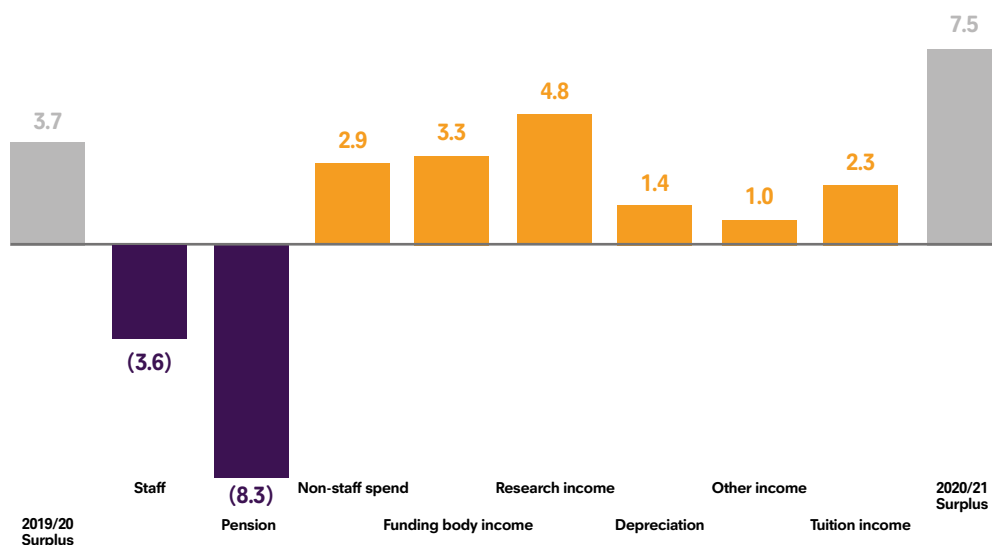
*Surplus/(deficit) before other gains/(losses) and share of operating surplus/(deficit) of joint venture.

Operating margin on income (%)



— Operating margin — Operating margin excluding non-cash pension and related costs

Operating surplus movement (£m)



increases from 2.20% to 2.85%. Given that the year-end pension liability is dependent on market conditions at a point in time and therefore subject to market volatility, it should be noted that a liability to the extent that it is currently stated is not likely to crystallise in the future but rather reflects the required FRS 102 pension accounting adjustment as opposed to an expected future cash outlay. The impact of this is also reflected in the actuarial gain of £4.8m (2019/20: loss of £99.1m) and reflects the LGPS scheme investment assets performing more favourably as at 31 July 2021 compared to 31 July 2020.

The University's operating surplus before non-cash pension adjustment has increased by £11.6m, compared to the prior year and the operating surplus after non-cash pension adjustment increasing from £3.7m to

£7.5m which is a £3.8m improvement on the previous year.

The position has significantly improved due to the following: a £4.8m increase in research income; an increase in tuition fee income of £2.3m as a result of improved retention and higher postgraduate student numbers; additional funding body income of £3.3m including OfS hardship income of £1.3m and other short term uplifts to the student number cap; savings in non-staff spend of £2.9m mainly due to activity that has not taken place as a result of COVID-19 including travel and education visits; and included in other income £1.6m of COVID-19 capital and revenue funding from the Department of Health and Social Care (DHSC), which is offset by the £0.7m reduction in residences, catering and conferences income due to reduced on-campus footfall, and a

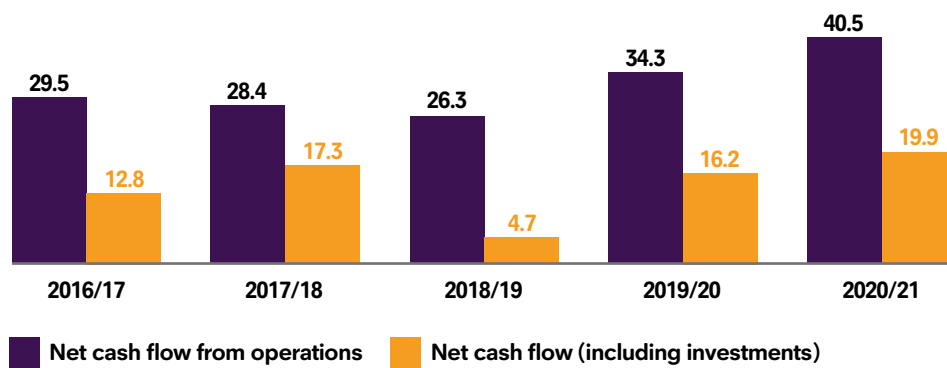
proportion of waived accommodation fees in line with the wider sector. These improvements are offset by additional staff costs of £3.6m, including: planned incremental salary increases; an increase in the holiday pay provision and an increase in staff FTE of 81 including 54 Research appointments. The increase in pension costs of £8.3m mainly relates to the LGPS non-cash pension cost discount rate movement and the increased Teachers Pension Scheme contribution from 16.4% to 23.6%.



An aerial view of the coastline of Plymouth

Cash flow

5 year cash flow trend (£m)



In 2020/21 an overall net cash inflow (including investments) of £19.9m (2019/20: £16.2m) was generated on net cash inflows from operations of £40.5m (2019/20: £34.3m). The increase in overall net cash flow of £3.7m was mainly due to capital spend being lower than forecast in 2020/21 in part due to construction delays during the pandemic.



Smeaton's Tower, Plymouth Hoe

Financial highlights

	2020/21	2019/20
	£m	£m
INCOME AND EXPENDITURE		
Income	239.4	228.0
Expenditure	(231.9)	(224.3)
Operating Surplus	7.5	3.7
Share of joint venture operating deficit/surplus	(0.3)	0.4
Net (loss)/gain on tangible and investment assets	(0.1)	0.3
Operating surplus before tax	7.1	4.4
Taxation	(0.8)	(0.3)
Surplus after tax	6.3	4.1
BALANCE SHEET	2020/21	2019/20
	£m	£m
Tangible fixed assets	258.8	250.9
Cash and current investments	155.2	135.3
Borrowings and finance leases	(53.3)	(52.8)
Pension liabilities	(308.8)	(293.6)
Net assets	16.1	4.9
CASH FLOW	2020/21	2019/20
	£m	£m
Net cash flow from operations	40.5	34.3
Net movement in cash and investments in the year	19.9	16.2
KEY PERFORMANCE INDICATORS	2020/21	2019/20
Surplus after tax as a percentage of income	2.6%	1.8%
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)*	£47.2m	£37.8m

*As defined by the British Universities Finance Directors Group, and adds back to surplus non-cash income and expenditure movements on pension provisions.

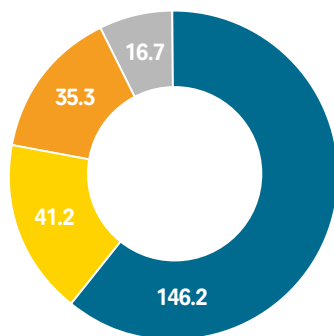
Income

The University's income has increased by 5.0% (£11.4m) from £228.0m to £239.4m compared to 2019/20 and is mainly due to a £4.8m increase in research income; an increase in tuition fee income of £2.3m due to improved student retention and improved post graduate taught numbers; and an increase in funding body grants of £3.3m including £1.3m relating to COVID-19 specific funding from the Office for Students (OfS).

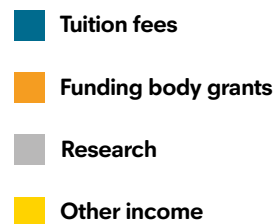
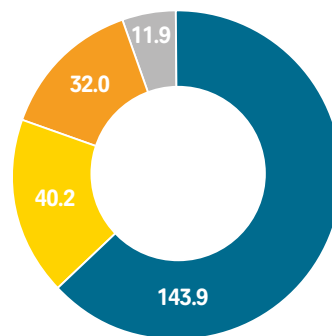
Research

Research income has increased by £4.8m compared to the prior year. This is due to the awards in 2019/20 of £15.8m having a positive impact in 2020/21 and funds received in year. As at the 31 July 2021 awards are at £16.6m and expected to have a positive impact on research income in 2021/22.

2020/21 income (£m)



2019/20 income (£m)



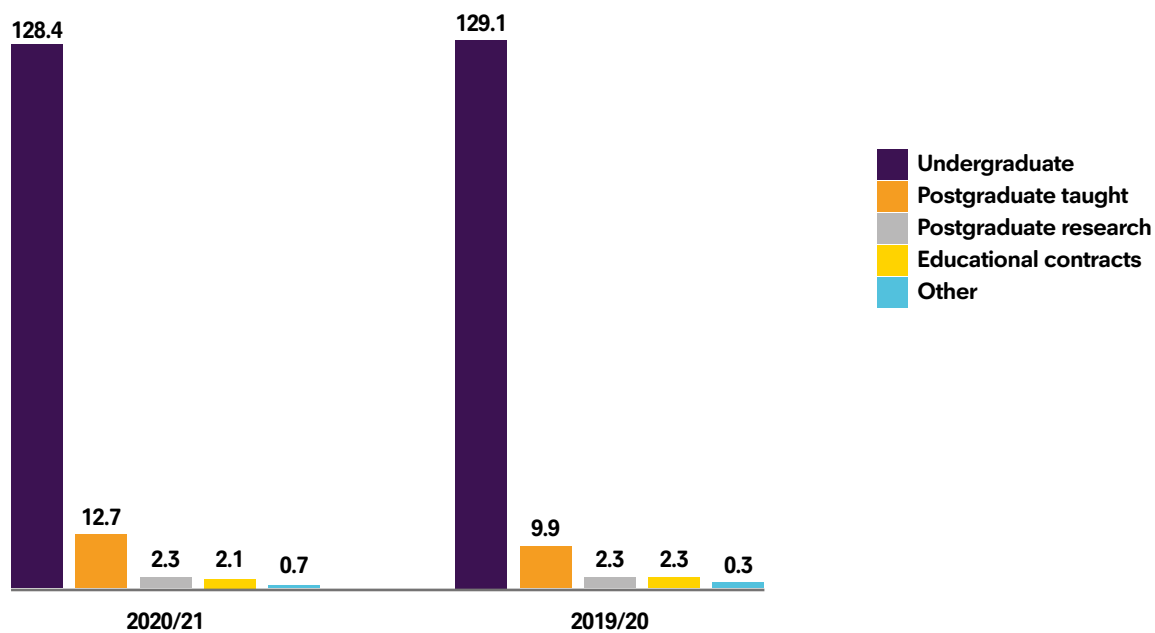
Funding body grants

Funding body grants income has seen an increase of £3.3m compared to the prior year and comprises of income from the Office for Students (OfS) for teaching and capital (£1.1m) and Research England grants. Almost £1.3m of the increase relates to additional OfS student hardship funds disbursed to students and a contribution towards COVID-19 testing.

Tuition fees

Tuition fee income has increased by £2.3m compared to 2019/20. This is mainly due to the increase in postgraduate student numbers. This year saw increased competition following elevated A level results and reduced international activity. Uncertainty around A level outcomes is expected to continue in 2021/22. The University strategy is to focus on quality and to increase overall student numbers whilst looking specifically to grow both the postgraduate and international offering, including through new online opportunities.

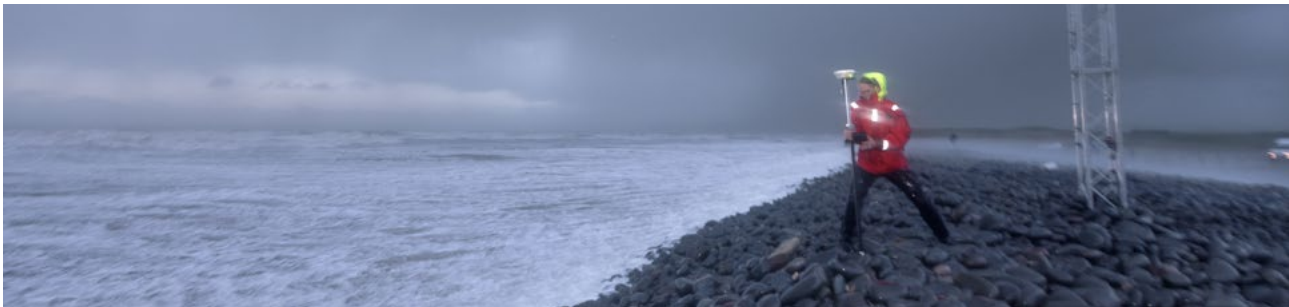
Tuition income by type (£m)



Undergraduates continue to be the majority of the student body and this is reflected in undergraduate income making up 87.8% (2019/20: 89.7%) of tuition fee income. The decrease of £0.7m is mainly due to NHS staff being unable to be released to attend CPD courses due to pandemic priorities.

Postgraduate income has increased by £2.8m (2019/20: £0.1m) and supports the University strategy to increase the postgraduate student population.

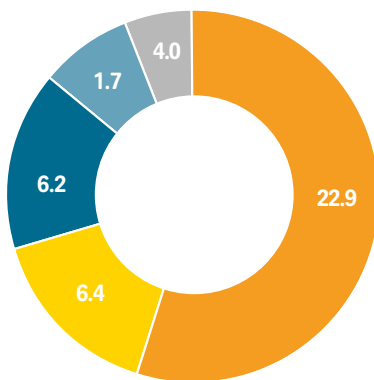
Educational contract income continues to decrease, from £2.3m in 2019/20 to £2.1m in 2020/21, as health qualifications such as nursing and other health profession qualifications transition to the tuition fee based funding regime.



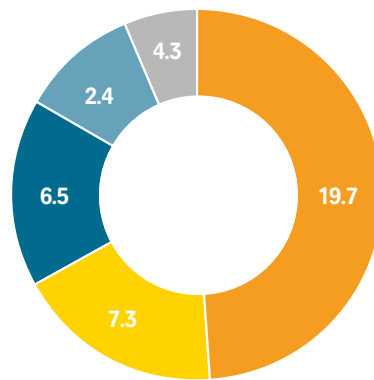
Collecting storm data at Westward Ho!

Other income

2020/21 Other income (£m)



2019/20 Other income (£m)



- Residences, catering and conferences
- Other grant income
- Premises and car park income
- Educational royalties and service charges
- Other miscellaneous income*

*Other miscellaneous income includes investment income and endowment and donation income.

Other income has increased by £1.0m at 2.5%, (2019/20: decrease of 11.5%). This is mainly due to the increase in other grant income of £3.2m of which £1.6m relates to one-off funding from the Department of Health and Social Care (DHSC), offset by the £0.7m reduction in residences, catering and conferences income due to reduced on-campus footfall, and a proportion of waived accommodation fees in line with the wider sector. Significant sources of other income to the University include, licence and royalty payments received from partner institutions for the right to teach and award University of Plymouth degrees.

The University Group was eligible to take part in the Coronavirus Job Retention Scheme (CJRS) and specific groups of staff across the Group were placed on furlough during 2020/21. The total CJRS grant received in 2020/21 was £0.3m (2019/20: £0.7m).

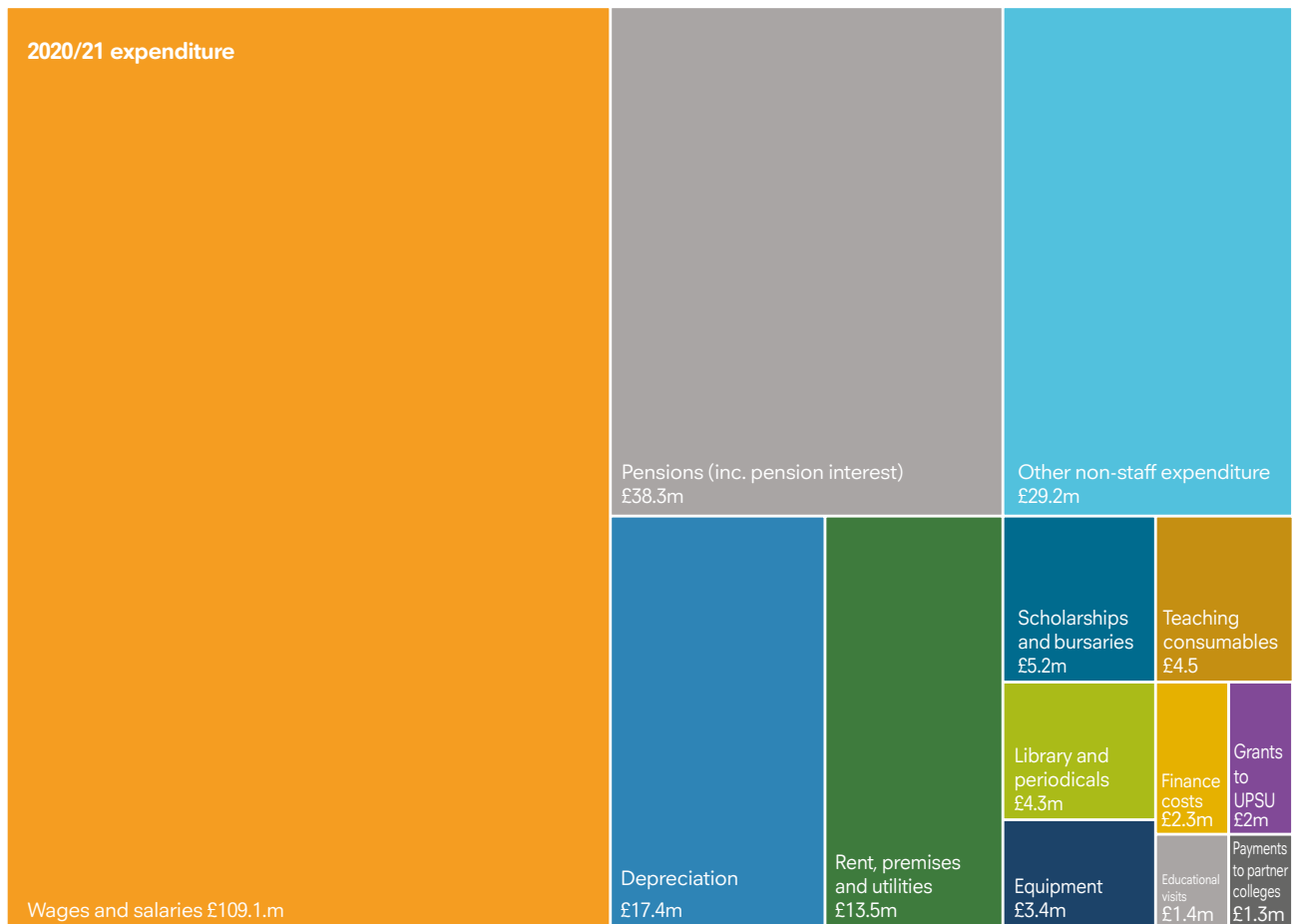
Investment, donation and endowment income have remained fairly consistent with investment income showing a decrease at £1.1m (2019/20: £1.3m), which reflects the impact of an exceptionally low base rate on returns.

Expenditure

Overall expenditure has increased from £224.3m in 2019/20 to £231.9m in 2020/21. The increase of £7.6m was mainly due to the increase in staff and pension costs of £11.8m offset by a

reduction in depreciation of £1.4m and savings in non-staff expenditure spend of £2.9m. This is mainly due to Covid-related activity adjustments because of government restrictions,

offset by an increase of £0.9m in scholarships and bursaries paid to students in the year.





Marine biology field course sampling

Staff costs

Staff costs, including wages, pensions and payroll taxes continue to be the largest proportion of the University's expenditure, making up 61.8% (2019/20: 58.6%) of the cost base and 59.9% of total income (2019/20: 57.7%). The HE sector faces the challenge of managing overall staff expenditure, in the context of increasing pay and pension costs. National insurance rates and thresholds have largely remained unchanged, from 2019/20 to 2020/21, as a result of the impact of COVID-19 on the government 2021 Budget initiatives. The LGPS non-cash pension costs are based on assumptions as at 1 August 2020. There has not been any additional USS non-cash cost as a result of the positive impact of the increase in discount rate from 0.73% to 0.87% which has been offset by the additional liability created through the transfer of new members. A new schedule of contributions based on the 2020 actuarial valuation, to fund the increased cost of funding the scheme's current benefits is not yet complete.

Of the £11.8m increase in staff costs; £8.3m relates to an increase in pension costs mainly due to the LGPS discount rate movement and the increased Teachers Pension Scheme contribution from 16.4% to 23.6%. £3.5m relates to an increase in wages and salaries made up of: incremental salary increases; an increase in the holiday pay provision of £0.2m which reflects additional annual leave carried forward to 2021/22; and an increase in staff FTE of 81. Of the

increased staff FTE, there were 54 Research appointments in year, at a cost £1.1m, funded by the relevant research projects.

Operating expenditure

Other non-staff operating expenditure (excluding depreciation) has decreased by £2.9m, 3.9% (2019/20: 9.0%) compared to the prior year, and this relates mainly to activity that has not taken place due to the continued government restrictions as a result of COVID-19 to include travel and education visits. Rent, premises and utilities costs have decreased by £1.1m compared to the prior year due to remote working and changes in working practices as a result of COVID-19 requirements. This is offset by an increase of £0.9m, compared to the prior year, in scholarships and bursaries as a result of an additional £1.0m of OfS hardship funding paid to students in the year. There has been strategic investment spend during the year on projects that will enhance the student experience through improved working practices and increased efficiencies.

Depreciation

Depreciation of £17.4m has been charged in 2020/21, which is a £1.4m decrease from £18.8m in 2019/20. The decrease of £1.4m is mainly due to a reduction in total building and equipment additions compared to the previous year and existing assets being at the end of their useful economic lives and therefore being fully depreciated. As the University's Estate Strategy and Campus

Masterplan continue to be rolled out, the increased capital spend in the next few years is expected to lead to significantly increased depreciation costs in the coming years.

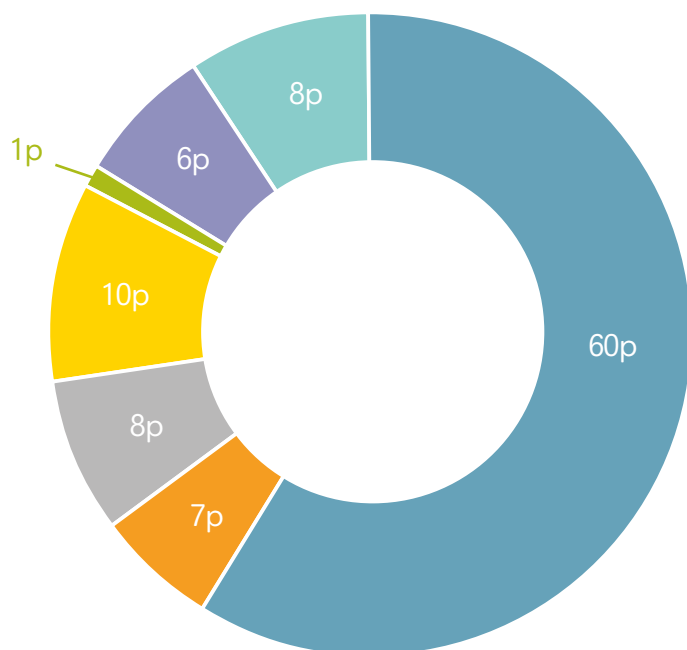
Finance costs

Finance costs on the University's loans and finance leases remain consistent at £2.3m (2019/20: £2.5m). Interest rates continue to remain at historically low levels, and this has been further exacerbated by the impact of COVID-19 on the economy, with base rate at 0.10%. The favourable movement of £0.2m is a result of the reduction in base rate on the University's variable rate bank loan. The interest cost associated with the discounting on the University's pension liabilities has seen a small increase to £4.0m (2019/20: £3.8m) and is reflected in the pension costs of £38.3m.

How did we spend our £ in 2020/21?

Seeing a breakdown of how the University spends its income is useful to show how strategic aims and key business needs are resourced. We aim to be transparent by detailing the different income sources and expenditure the University needs to make, to underpin our high-quality,

internationally leading education, research and innovation. Students need to know what their fees are paying for, and by providing this financial context, we aim to show that value for money is core to our investment strategy.



NB. Excludes non-cash pension charges

- Academic and related expenditure**

This is the money that pays for lecturers, technical and support staff. It pays for the field trips, teaching equipment and services to support teaching and learning activity.
- Research grants and contracts**

University staff are awarded grants by research funders to spend on research activity, including staff time and equipment, which in turn informs our teaching.
- Administration and central services**

This is the spend that ensures the University runs day to day, providing the services and support necessary for a high-quality, supportive student experience in a sustainable university.
- Premises**

Our campus is home to our academic and research activities, so investment in buildings and spaces is key to enabling student and staff achievements.
- Residences and catering**

This is spent on student accommodation and food and drink provision on campus, supporting the comfort and wellbeing of our people.
- Other income-generating activities**

The University uses other funding streams where possible to bring money into the business, such as the hiring out of facilities and expertise.
- For investments in our future**

The University looks ahead to ensure we can deliver future ambitions, so investments are also made in activities, infrastructure and staff to support this.



Artist impression of Intercity Place, university refurbishment at Plymouth Railway station

Pensions

In line with the sector, the University continues to face a significant degree of uncertainty over the medium-to long-term true cost of its pension schemes, both in real cash terms and accounting non-cash terms, and with the uncertainty of current and future economic conditions there is a risk of larger deficits and increasing contribution rates in the future. The University continues to carefully monitor scheme performance and is mindful of the need to be able to meet any increased contribution costs out of operational cash flows. To mitigate against some of this risk and uncertainty a defined contribution scheme is offered to new professional staff employees, effective from 1 August 2020, which will allow the University to better manage its future long-term liabilities.

The University participates in seven pension schemes with the defined benefit Teachers' Pension Scheme (TPS) and Devon County Council Local Government Pension Scheme (LGPS) being the largest (accounting for 95% of pension costs). The University also has members in the NHS scheme (NHS), Universities Superannuation Scheme (USS), and defined contribution Aviva, Scottish Widows and Legal and General pension schemes for those employed through its subsidiary undertakings.

The University's LGPS provision has increased by £15.6m (2019/20: £113.4m) from £288.5m to £304.1m and an actuarial gain of £4.8m (2019/20: loss of £99.1m) has accrued in the year. This is due to the net impact of; the LGPS scheme investment assets performing favourably as at 31 July 2021 and more

significantly the impact of changes in financial assumptions, notably the discount rate, which has increased from 1.40% to 1.60% and reflects the market conditions for corporate bonds as at 31 July 2021, offset by the inflation linked pension increases from 2.20% to 2.85%. The University's current cash contribution levels based upon the March 2019 triannual valuation for the LGPS scheme are sufficient to ensure the scheme remains appropriately funded in the short to medium term with the funding level being over 99%. The next valuation will be in March 2022 and reflected in the financial statements for the year ending 31 July 2023.

The LGPS valuation includes the following: an allowance to reflect the Court of Appeal judgement in respect of the McCloud and Sargeant cases which relate to age discrimination within the Judicial and Fire Pension schemes, respectively; and an allowance to reflect the outcome of the Guaranteed Minimum Pension (GMP) indexation consultation.

There has not been any movement in the USS pension scheme provision. The positive impact of the increase in discount rate from 0.73% to 0.87% has been offset by the additional liability created through the transfer of new members. A new USS Schedule of Contributions (SOC) based on the 2020 valuation is subject to consultation and agreement to benefit changes. The interim agreed rate from October 2021 is 21.4% a reduction of 2.3% expected in the 2018 valuation. If agreed this rate will continue until the next valuation and include 6.3% of deficit recovery contributions from April 2022. This

results in an increase of £3.8m in the USS provision, from £2.1m to £5.9m, and represents the obligation to fund the deficit.

Should the benefit change agreement not be met then rates would be subject to increases every 6 months from 1 October 2022, rising to 38.2% from 1 October 2025 to 31 July 2032. This would result in an increase of £7.3m in the USS provision, from £2.1m to £9.4m. Whilst USS is a multi-employer scheme and full actuarial accounting is not required, the University is required to recognise a liability for its commitment under the scheme's deficit funding plan.



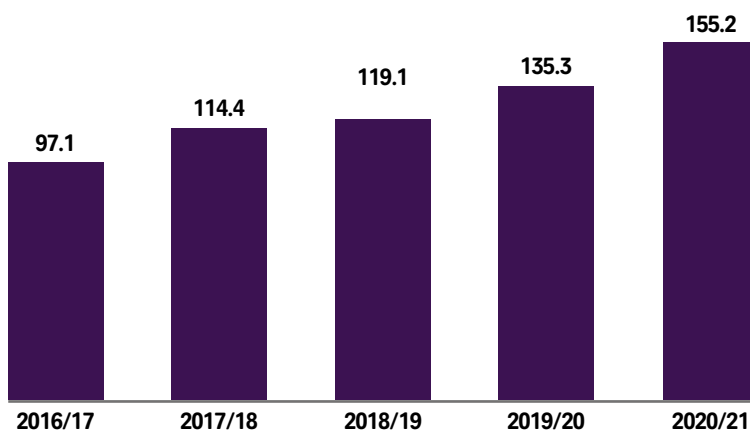
The Peninsula Dental School



Whitsand Bay near Plymouth

Cash flow and financing

Cash, cash equivalents and term deposits (£m)



As at 31 July 2021 of the cash balance held £24.7m (2020: £23.3m) relates to the reserves of Peninsula Dental Social Enterprise CIC over which there is an asset lock. These funds cannot be used to fund the liabilities of the University Group.

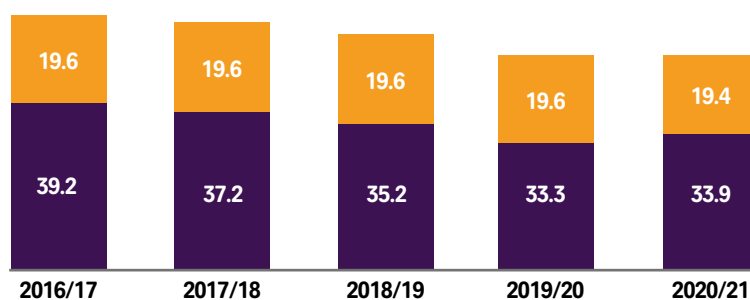
The University held cash and current cash investment balances of £155.2m at 31 July 2021 (2020: £135.3m). The robust cash position has been accumulated in recent years to help

fund the Estates Strategy and Campus Masterplan and to provide financial stability in uncertain and volatile times. The University continues to maximise returns whilst ensuring it does not

place funds at risk. Cash is invested in accordance with the University's Treasury Management Policy.

Debt finance

Outstanding debt finance (£m)



Loans Finance leases

The University continues to repay its outstanding debt finance in line with repayment terms out of operational cash flows. At 31 July 2021 bank and other loans of £33.9m were outstanding (31 July 2020: £33.3m), this includes an additional

loan arrangement of £2.6m from Plymouth City Council for the station regeneration project, of which the Intercity Place capital project is part, and the balance of the finance lease for the Rolle academic building stood at £19.4m (31 July 2020: £19.6m). The

University continues to comply with the loan covenants attached to the debt financing arrangements and during the year renegotiated loan covenants to exclude the impact of non-cash pension costs on the surplus position.

Capital spend

The University's Campus Masterplan includes significant investment and refurbishment in the campus over the next 10 years with fixed asset cash spend of £23.0m made in year (2019/20 £17.7m). The Campus Masterplan is continually reviewed to ensure that it meets changing requirements and student expectations in line with the 2030 Strategy.

During 2020/21 the main elements of capital spend were:

- £2.4m on the refurbishment of premises for students
- £5.0m towards Intercity Place – a major new long-term leased building at Plymouth Railway station to be refurbished for the Schools of Health Professions and Nursing and Midwifery
- £2.5m towards the development of a new engineering and design facility
- £1.1m on the Devonport Dental Education Sterile Services facility
- £8.4m on IT infrastructure and equipment to support teaching and research.

Net assets and working capital

The University's net assets have increased by £11.1m mainly due to the increase in cash and investments of £19.9m (2019/20: £16.2m) and increase in tangible fixed assets of £7.9m. This is offset by the increase in the pension liability of £15.2m (2019/20: increase of £111.5m).

The University proactively manages its working capital, successfully converting debtors into cash and paying liabilities on a timely basis. The impact of COVID-19 has resulted in a small increase in student and commercial debtor balances and related bad debt provisions in comparison to previous years and the University is proactively working to manage this position. At the year-end, the University's current asset ratio was comparable to the prior year at 3.04 compared to 2.89 at the end of 2019/20.

Tax

The University has a tax strategy in place that addresses the key areas of: tax policy; approach to risk management and governance arrangements; attitude towards tax planning and level of risk; and approach to dealings with HM Revenue and Customs. The University minimises its tax liabilities through its group structure with subsidiary companies gift aiding profits back to the University, and the operation of a VAT group. Taxation on all UK and overseas activities is an important area of focus for the University and appropriate planning is vital to ensure that University tax liabilities are minimised. The University took the opportunity to benefit from government COVID-19 tax measures. This included deferred VAT return payments where the April 2020 quarter VAT payment was made in March 2021; and the reduced 5% rate of VAT effective from July 2020 and extended from March 2021 to September 2021 for hospitality related activity. This has resulted in minimal VAT savings in 2020/21 due to reduced hospitality income. However, additional savings are expected in 2021/22 with a reduced 12.5% rate of VAT effective from October 2021 to March 2022 and increased staff and student footfall on campus.

Risks and Uncertainties

The Board of Governors reviews the University's Strategic Risk Register regularly. The Audit Committee reviews the University's Strategic and Operational Risk Registers at regular intervals. As part of a culture of continual risk management improvement, a number of initiatives put in place in the previous year continue to be embedded in 2020/21 to strengthen the effectiveness of risk management reporting and assurance, and to continue alignment of risk management activity with the planning cycle. The University's risk management arrangements were subject to an internal audit in 2020 which reported substantial overall assurance and highlighted areas as exemplars of best practice. In line with the audit recommendations, the University has established a Risk Appetite Framework to support the delivery of its strategic objectives. The Audit Committee has introduced a series of Deep Dives around key risks to enable background understanding of Committee members of the basis of the risks.

The University continues to focus on managing the risks around financial sustainability, changes in government funding and policy, student recruitment and graduate employability. *The key strategic risks are summarised under the headings below.*

Financial sustainability

Surplus generation and investment

Delivery of planned student numbers

Cost of providing defined benefit pension schemes

The 2030 Strategy requires ongoing investment to deliver our strategic priorities. Changes to the underlying cost base in line with medium and long-term income levels continue to be a key risk to financial sustainability, with positive cash generation a key enabler to our committed campus masterplan. Sustainable cost management and income diversification remain a key focus in the planning process, and longer-term financial modelling and sensitivity analysis help to mitigate this risk.

To further support this, the objective to increase student numbers over the next five years with a focus on the international and postgraduate market has been reflected in the University's five-year plan. The focus is on achieving a level of financial stability to enable the University to operate effectively against the background of uncertainty created by the global pandemic and other events outside of the University's control. As for all institutions, the cost of providing the current defined benefit pension schemes continues to be challenging financially and administratively and remains subject to regular review.

Changes in government funding and policy

Significant uncertainty around policy and regulatory changes

The sector continues to experience significant uncertainty and volatility in government policy including the major review of post-18 education funding, evolving regulation and associated scrutiny and sanctions with an emphasis on the consumer

rights of students. The limited control over the likelihood and timing of these changes means that opportunities must be taken to manage the impacts of the associated risks. Other continuing uncertainties include the impact of the UK's departure from the European Union, as well as the uncertainty around the future inflation-proofing of student fees and policy on international students.

The University proactively monitors developments in order to respond to consultations as well as engaging with policy influencers via Universities UK, other representative bodies and locally to regularly assess the impact on staff, existing and potential students, research and international partnership working.

Student recruitment

Graduate outcomes and reputation

In deriving the majority of income from tuition fees and teaching grants, achieving the optimum size and shape of its student population is critical to the University's financial sustainability. Key issues for the University include league table performance, catchment area and national demographics, recruitment of international students and graduate employability. Implementation of a refreshed UK marketing strategy with supporting structures and controls is underway alongside implementation of the International Student Recruitment Strategy.

Students working in the chemistry labs with highly fluorescent compounds under UV light

Graduate employability

As a critical metric, highly skilled graduate employability remains a key area of institutional focus. Pages 8 to 10 include detail on our approach to supporting graduates into professional careers. The employability action plan includes targeted and collaborative support for Schools at programme level and the University is seeing continuing improvement in performance.

The new Graduate Outcomes survey (GO) replaced its predecessor DLHE (Destinations of Leavers from Higher Education) from the 2017/18 graduate cohort onwards. GO incorporates a longer timeframe (the census week is 15 months after graduation vs six months in DLHE) and a full data centralisation of the survey through HESA. As such, the survey takes into account a longer perspective needed for students to settle into their first careers. It also provides a more objective picture allowing no data supplementation nor optimisation of results to be done by institutions. The University's position is strong among other HEIs for UK-domiciled full-time first degree leavers. Our employment and/or further study metric (a proportion of graduates in work or further study out of those working, studying or looking for work) is 95.5%, which places us in the upper quartile nationally – 21st out of 153 HEIs (above the sector upper quartile of 94.8% and sector median of 93.5%). The second metric, looking at highly skilled employment among those in work only, is 71.0%, which is above the sector median of 68.1%, placing us 60th.

Partnerships

Risks relating to quality and sustainability of UK and overseas partnership activities are monitored at a strategic level. This includes specific arrangements that have been incorporated into the Risk Management Policy, to ensure a process for robust management of the associated risks.



Statement of Corporate Governance and Internal Control

Principles

The University of Plymouth is committed to best practice in all aspects of corporate governance and to conducting its business in accordance with the seven 'Nolan' principles, identified by the Committee on Standards in Public Life, and the Committee of University Chairs' Higher Education Code of Governance. These principles and the expectations of the Code are reflected in the Statement of Primary Responsibilities of the Board of Governors. This Statement was reviewed during 2020/21 and the Board of Governors remains satisfied that governance at the University is compliant with the Code.

Legal status of the University

The University is an Independent Higher Education Corporation and an exempt charity under the terms of the Charities Act 2011, with the Office for Students acting as the Principal Regulator.

Our charitable objectives focus on the delivery of education and research. As a charity, the University must operate for public benefit. This is detailed in the Public Benefit section of this report.

Members of the Board of Governors are the charity trustees. No trustee received any payment for his or her trustee duties, other than for expenses incurred while fulfilling their duties. Details of the total expenses paid in relation to trustee duties are reported in note 10 to the Financial Statements.

Governance

The University's constitution is set out in its Instrument and Articles of Government, which require the University to have two separate bodies, the Board of Governors and Senate, each with clearly defined functions and responsibilities for strategic oversight. The Vice-Chancellor, supported by the University Executive Group, has responsibility for the management of the University and implementation of the University strategies.

The Board of Governors

The Board of Governors is the governing body of the University responsible for the finance, property, investments and general business of the University, and the approval and monitoring of the University's strategic plan. The Board meets six times a year and it has an agreed preference for no more than 16 members, with the majority of members being independent governors. Also included in its membership are the Vice-Chancellor, representatives elected by Senate, a staff representative elected from the professional services staff group and two student governors. Full details of the Board membership during 2020/21 are provided at pages 45 and 46 of this report.

The Senate

Senate is responsible for the academic quality of the University and provides the strategic oversight of the University's activities in relation to teaching, learning, assessment and research. Senate provides assurance to the Board for academic governance. Its membership is

drawn from academic and other staff members and representatives of the Students' Union. It meets three times a year and is chaired by the Vice-Chancellor.

Vice-Chancellor

The Vice-Chancellor is the Chief Executive and Accountable Officer of the University and is responsible for the development, management and delivery of the University's strategic plan. The Vice-Chancellor is supported in this by the University Executive Group.

Board committees

While the Board is the ultimate authority for the University, it cannot be involved directly in all matters for which it is formally responsible; therefore, it delegates some of its powers for detailed review to committees as necessary.

The **Audit Committee** is responsible for reviewing the University's arrangements for matters of governance, internal control, risk management and data assurance and for reviewing and commenting on the annual Financial Statements and accounting policies. It meets four times a year with the University's senior officers and the internal and external auditors in attendance. The Committee considers detailed audit reports and recommendations for improvement of the University's systems of control, together with management's response and action plans.

The **Finance Committee** recommends to the Board of Governors the University's Financial Plan and



Plymouth waterfront

monitors performance in relation to approved budgets. The Committee also has delegated financial powers under the University's Schedule of Financial Limits. In conjunction with the Audit Committee, it recommends to the Board the annual Financial Statements and advises the Board on the effective and efficient use of the University's financial resources, financial strategy, performance, and sustainability. The Committee meets four times a year.

The **Nominations Committee** is responsible for independent governor succession planning, for recommending candidates to fill independent governor vacancies on the Board and for appointments to the Board committees. The Committee meets twice a year (or more often if required for specific decisions).

The **Reward and Remuneration Committee** is responsible for determining the levels of pay and reward for senior staff. The Committee meets twice a year. The Vice-Chancellor and CEO's remuneration is independently set and annually reviewed by the Reward and Remuneration Committee in accordance with the Committee of University Chairs (CUC) guidelines. Decisions on remuneration take into account current market sector pay as well as other factors such as performance of the University. Further details are available in the Annual Report of the Reward and Remuneration Committee, published on the University's Board committees web page and included in note 8 Staff costs on page 72. The Reward and Remuneration Committee has noted that the Vice-Chancellor and CEO's remuneration is in the lower quartile

when compared with vice-chancellors and CEOs of similar universities.

The **Honorary Awards Committee** is a joint Board and Senate committee chaired by the Vice-Chancellor. The Committee makes recommendations to the Senate for the award of honorary degrees or honorary fellowships of the University. The Committee meets up to four times a year.

The **Health and Safety Assurance Committee** provides assurance to the Board that the University complies with statutory and other relevant health, safety and wellbeing requirements and with its own procedures as set out in its health and safety policy. It meets at least twice a year.

Internal control and management of risk

The Board of Governors is responsible for ensuring there is a sound system of internal control to support the achievement of the University's policies, aims and strategic objectives, while safeguarding the public and other funds and assets for which it is responsible.

The system of internal control is risk based and designed to manage rather than eliminate the risk of failure to achieve strategic objectives. As such, the system provides a reasonable assurance of effectiveness. The system is designed to identify, evaluate, and manage efficiently, effectively, and economically the strategic, business, operational, compliance and financial risks facing the University. This continuing process

is kept under review by the Audit Committee and has been in place for the year ending 31 July 2021 and up to the date of approval of the Financial Statements for the year ended 31 July 2021.

The review of the effectiveness of the system of internal control is informed by the work of the University's internal auditors for the year ending 31 July 2021, by the work of senior managers within the University who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

The Audit Committee receives regular reports from internal audit, which include an independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement. The internal audit strategy and plan is approved by the Audit Committee. There is an opportunity within the cycle of the Audit Committee's business for the auditors to meet with the Audit Committee without management being present. No fundamental internal control weaknesses were identified.

The Audit Committee provides advice to the Board on the effectiveness of the University's system of internal control and strategic risk management. The University Executive Group (UEG) is responsible for developing and maintaining an integrated approach to risk, planning, performance, and assurance. The University has a Corporate Risk Register, which details both the

University's strategic and operational risks and a risk appetite framework.

The Corporate Risk Register is supported by local risk registers for each Faculty and Professional Service area and by risk registers held for major projects, Academic Partnerships, GDPR risks, Fraud risks, Criminal Finance Act risks and each Subsidiary Company. The Corporate Strategic Register is reviewed and updated by UEG and the Audit Committee three times per year. The Board receives the strategic risk register three times per year (with discussion once per year). The UEG Risk Review Group meets in advance of UEG and Audit Committee and is supported by a Risk Advisory Group which brings together individuals from across Faculties and Services involved in risk management.

Role of the Board in the preparation of the Financial Statements

The Board is responsible for the appointment of the external auditor and approval of the audited Financial Statements, which are prepared in accordance with Financial Reporting Standard 102 (FRS 102), the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition), the Office for Students' (OfS) accounts direction and other relevant accounting standards. Where there are inconsistencies between the requirements of the SORP and the accounts direction, then the accounts direction will prevail.

The Board is responsible, through the Vice-Chancellor and CEO, for the

administration and management of the University's financial affairs and for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University. Additionally, as per the OfS's requirements and in accordance with any relevant Statement of Recommended Practice, the University is required to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

In the preparation of the Financial Statements, the Board has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the Financial Statements; and
- the Financial Statements are prepared on the going concern basis unless it is inappropriate to presume that the University of Plymouth will continue in operation for the foreseeable future. The Board is satisfied that it has adequate resources (as considered in the going concern section of the Statement of Principal Accounting Policies) to continue in operation for the foreseeable future; for this reason, 'going concern' basis continues to be adopted in the preparation of the Financial Statements.

As far as the Board is aware, there is no relevant audit information of which the external auditor is unaware. Relevant information is defined as information required by the external auditor in connection with preparing their report.

The Board, through the Vice-Chancellor and CEO as its designated officer (and OfS Accountable Officer), has taken reasonable steps to:

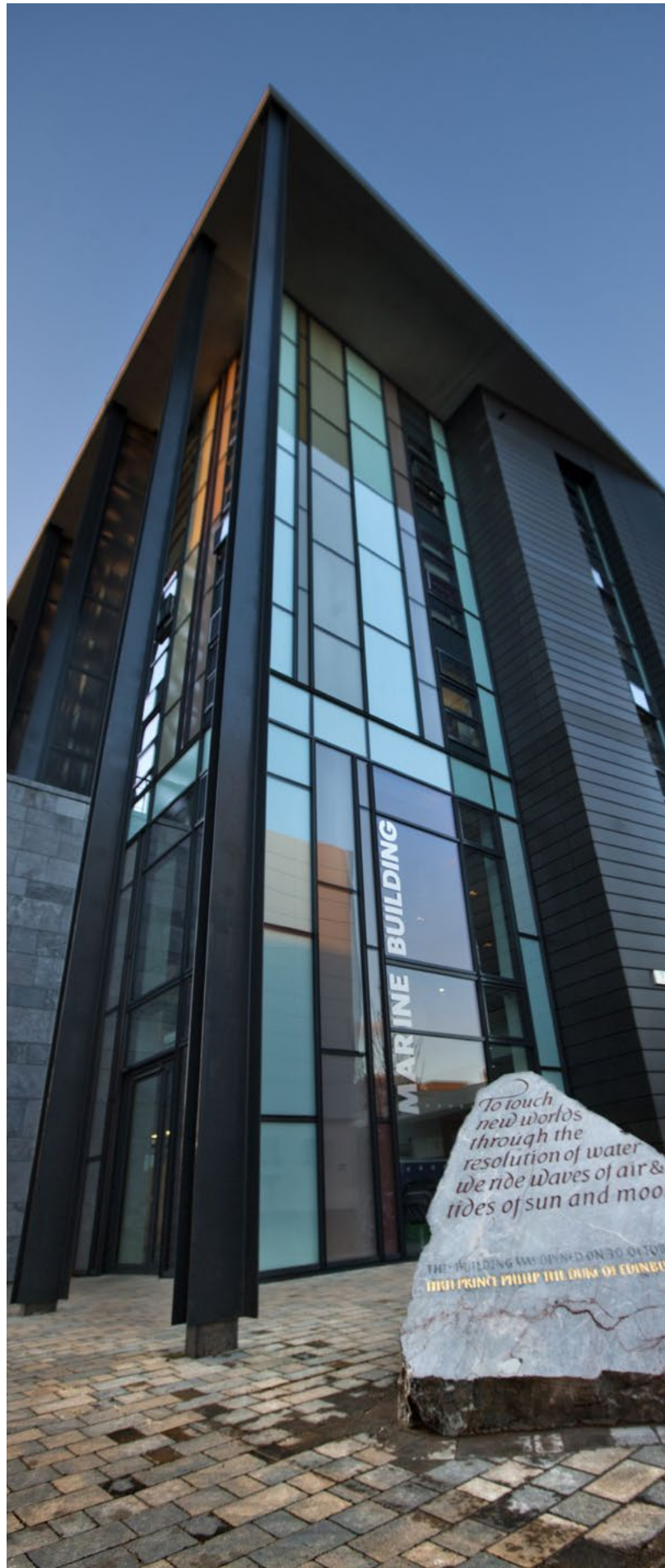
- ensure that funds from the OfS are used only for the purposes for which they have been given and in accordance with the memorandum of assurance and accountability with the OfS and any other conditions which the OfS may from time to time prescribe. This extends to expenditure relating to the delivery of the Access and Participation Plan;
- ensure that funds from UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department of Education and other funds as appropriate are used for the specific purposes for which they have been given and in accordance with the Terms and Conditions of Funding and any other conditions which may be prescribed;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University of Plymouth and prevent and detect corruption, fraud, bribery and other irregularities, and

The Marine Building, University campus

- secure the economical, efficient, and effective management of the University of Plymouth's resources and expenditure to achieve value for money.

This Corporate Governance Statement was approved by the Board of Governors on 25 November 2021 and signed on its behalf by:

C I J H Drummond OBE DL
Pro-Chancellor and Chair of the
Board of Governors



Board of Governors and Board Committee Membership



The members are listed for the period 1 August 2020 – 25 November 2021, the date the Financial Statements were approved by the Board of Governors. Biographies of the Board of Governors can be viewed at plymouth.ac.uk/governors

Name	Type of membership	Attendance (2020/21)	Appointed	Appointment completed or leaving date	Membership of Board Committees
Colin Drummond OBE DL	Independent Governor (Chair)	8/8	October 2016	October 2022 (Re-appointed for a second term in October 2019)	<ul style="list-style-type: none"> Honorary Awards Committee Nominations Committee (Chair) Reward and Remuneration Committee
Hamish Anderson	Independent Governor (Vice-Chair)	8/8	<ul style="list-style-type: none"> January 2016 as an independent governor January 2017 appointed as Vice-Chair 	December 2021 (Re-appointed for a second term in November 2018)	<ul style="list-style-type: none"> Audit Committee Honorary Awards Committee Nominations Committee Reward and Remuneration Committee (Chair)
Dr Arunangsu Chatterjee	Governor (nominated by Senate)	4/6	August 2018	August 2021	
Professor James Daybell	Governor (nominated by Senate)	2/2	August 2021	August 2024	
Emi Dowse	Governor (nominated by the Students' Union)	3/3	June 2021	June 2022	<ul style="list-style-type: none"> Honorary Awards Committee
Chukwudi Ezenyi	Governor (nominated by the Students' Union)	5/5	July 2020	June 2021	<ul style="list-style-type: none"> Honorary Awards Committee
Professor Simon Gaskell	Independent Governor	7/8	January 2019	December 2024 (Re-appointed for a second term in March 2021, effective from December 2021)	<ul style="list-style-type: none"> Finance Committee Reward and Remuneration Committee
Michelle Hanson	Independent Governor	8/8	April 2017	March 2023 (Re-appointed for a second term in March 2020)	<ul style="list-style-type: none"> Health and Safety Assurance Committee Finance Committee
Kate Jackson	Independent Governor	8/8	January 2016	December 2021 (Re-appointed for a second term in November 2018)	<ul style="list-style-type: none"> Health and Safety Assurance Committee (Chair) Audit Committee Honorary Awards Committee Nominations Committee
Professor Kevin Jones	Governor (nominated by the Senate)	8/8	July 2017	December 2023 (Re-appointed for second term in July 2021)	
Verity Lemm	Governor (nominated by the Students' Union)	5/5	July 2020	June 2021	<ul style="list-style-type: none"> Honorary Awards Committee

Board of Governors and Board Committee Membership

Name	Type of membership	Attendance (2020/21)	Appointed	Appointment completed or leaving date	Membership of Board Committees
Bruce Mann CB	Independent Governor	8/8	April 2017	March 2023 (Re-appointed for a second term in March 2020)	<ul style="list-style-type: none"> • Finance Committee (Chair) • Reward and Remuneration Committee • Nominations Committee
Madeleine Morton	Governor (nominated by the Students' Union)	3/3	June 2021	June 2022	<ul style="list-style-type: none"> • Honorary Awards Committee
Dr Ursula Ney	Independent Governor	8/8	July 2018	July 2024 (Re-appointed for a second term in June 2021)	<ul style="list-style-type: none"> • Audit Committee
Dinah Nichols CB	Independent Governor	8/8	April 2017	March 2023 (Re-appointed for a second term in March 2020)	<ul style="list-style-type: none"> • Finance Committee • Reward and Remuneration Committee
Simon Perry	Independent Governor	8/8	April 2017	March 2023 (Re-appointed for a second term in March 2020)	<ul style="list-style-type: none"> • Audit Committee (Chair) • Nominations Committee
Professor Judith Petts CBE	Vice-Chancellor and Chief Executive Officer	8/8	February 2016		<ul style="list-style-type: none"> • Honorary Awards Committee (Chair) • Nominations Committee Also attends <ul style="list-style-type: none"> • Finance Committee • Audit Committee • Reward and Remuneration Committee
Isobel Rossiter	Governor (Professional Services staff)	8/8	August 2018	July 2024 (Re-appointed for a second term in July 2021)	
Tom Yoritaka	Independent Governor	7/8	August 2018	July 2022 (Re-appointed for a second term in July 2021)	<ul style="list-style-type: none"> • Finance Committee

Independent Members of Board Sub-Committees who are not Governors

Tim Marsh	External member		October 2017	September 2023 (Re-appointed for a second term in September 2020)	<ul style="list-style-type: none"> • Health and Safety Assurance Committee
Commodore Ian Shipperley	External member		October 2017	September 2023 (Re-appointed for a second term in September 2020)	<ul style="list-style-type: none"> • Health and Safety Assurance Committee
Carole Burgoyne MBE	External member		1 October 2019	September 2022	<ul style="list-style-type: none"> • Health and Safety Assurance Committee

Advisors to the University of Plymouth

External auditor and corporation tax advisor

Mazars LLP
90 Victoria Street
Bristol BS1 6DP

Value added tax advisors

ECA VAT Advisors Limited
Ellis Chapman & Associates
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Pioneer Business Park
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Ellesmere Port
Cheshire CH65 1AD

Solicitors

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Ashfords LLP
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Plymouth PL1 2EX

Pinsent Masons LLP
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Leeds LS1 5AB

Eversheds Sutherland (International)
LLP
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Water Lane
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Internal auditors

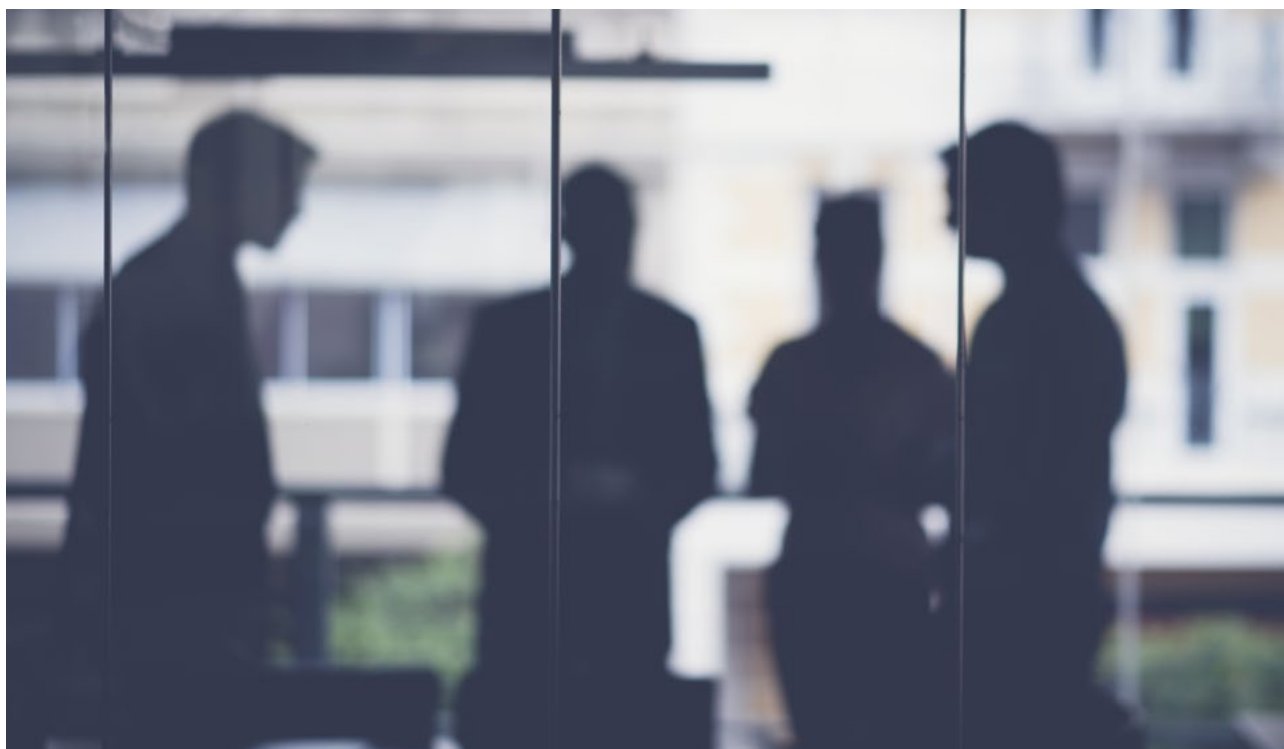
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4th Floor, St James' Building
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Bankers

HSBC Bank PLC
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Plymouth PL4 8AA



Independent Auditor's Report

TO THE BOARD OF GOVERNORS OF THE UNIVERSITY OF PLYMOUTH

Opinion

We have audited the financial statements of University of Plymouth ('the University') and its subsidiaries ('the Group') for the year ended 31 July 2021 which comprise the Consolidated and University Statement of Comprehensive Income, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Statement of Financial Position, 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 FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and University's affairs as at 31 July 2021 and of the Group's and University's income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education.

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 University Group 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

In auditing the financial statements, we have concluded that the Board of Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board of Governors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Responsibilities of the Board of Governors

As explained more fully in the Statement of Responsibilities of the Board of Governors set out on pages 41 to 44, the Board of Governors are 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 they 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 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 all or part of the University Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the University Group and its operations, we identified that the principal risks of non-compliance with laws and regulations related to the OfS requirements, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the OfS Accounts Direction.

We evaluated the Board of Governors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Board of Governors and management

their policies and procedures regarding compliance with laws and regulations;

- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the University Group which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Board of Governors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit

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

Other required reporting

Opinion on other matters prescribed in the OfS Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction have been met.

Matters on which we are required to report by exception

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

- the provider's grant and fee income, as disclosed in the notes to the accounts, is materially misstated; or
- the provider's expenditure on access and participation activities,

as disclosed in the accounts, has been materially misstated.

Use of the audit report

This report is made solely to the Board of Governors as a body in accordance with paragraph 4(2) of the University's articles and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Board of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and University and the Board of Governors as a body for our audit work, for this report, or for the opinions we have formed.

DRA Bott

(Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor
90 Victoria Street
Bristol BS1 6DP

8 December 2021

Roland Levinsky Building, University campus



Statement of Principal Accounting Policies

1. Accounting convention

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 (2019 edition). Amendments to FRS 102 (including disclosures) following the UK exit from the EU are applicable from the year ending 31 July 2022. 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 Office for Students 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.

2. Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified at fair value. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note/(s).

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

Going concern

The University prepares an annual plan as part of the annual planning cycle, which directly links to the objectives in Strategy 2030. Two formal forecasts are performed in year as well as an informal year-end close at the end of month eleven. The annual plan feeds into the five-year forecast, which is reviewed and updated each year to include Income and Expenditure, Balance Sheet, Cash Flow forecasts and sensitivity analysis.

The University plan and five-year forecasts are considered and approved by the University Executive Group (UEG), Finance Committee and the Board of Governors. The University is satisfied that it can meet its day to day working capital needs out of cash and liquid investments for the foreseeable future.

The student number plan is considered as part of the planning cycle and detailed scenario analysis and modelling has taken place to consider scenarios to include the impact of COVID-19 on UK and international student numbers. The scenarios have also been used to assess the impact on the loan covenants in place and no breaches are anticipated. During the year loan covenants were reviewed and accounting definitions amended to ensure that the impact of accounting for defined benefit pension schemes did not result in a breach.

After reviewing the group's forecasts and projections and in consideration of the above the Board of Governors has a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future and is not aware of any material uncertainties which would prevent the University from continuing as a going concern. Thus it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

3. Exemptions under FRS 102

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

4. Basis of consolidation

The consolidated Financial Statements include the financial statements of the University and its subsidiary undertakings together with the share of the results of a joint venture for the financial year to 31 July 2021.

The University has five subsidiaries: Peninsula Dental Social Enterprise CIC (PDSE), PMS (Facilities) Plymouth Limited (PMSF), University Commercial Services Plymouth Limited (UCSP), University of Plymouth Enterprise Limited (UPEL) and University of Plymouth Services Limited (UPSL). PDSE has an asset lock in place as part of its articles of incorporation and cannot transfer funds to the University other than for purposes within PDSE's articles.

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

The joint venture arrangement with Plymouth Science Park Limited (PSP) is accounted for using the equity method. The investment was initially recognised at the transaction price (including transaction costs) and has been subsequently adjusted to reflect the University's share of the surplus/ (deficit) and other comprehensive income of the jointly controlled entity. PSP prepares its Financial Statements to 31 March, these are adjusted based upon management accounts to give a 31 July position for consolidation.

The consolidated Financial Statements do not include the University of Plymouth Students' Union, as the University does not exert control or dominant influence over policy decisions.

5. Income recognition

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

Tuition fee income is stated gross of any expenditure which is not a discount and credited to

the Consolidated Statement of Comprehensive Income, 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 Consolidated Statement of Comprehensive Income on a receivable and accruals 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 grants, research grants from government sources and grants from non-government sources are recognised when the University is entitled to the income and performance related conditions have been met. If no performance conditions exist, income is recognised on entitlement. Income received in advance of performance related conditions being met is recognised as deferred income within creditors and released to income as the conditions are met.

Capital grants

Capital grants are recognised within income when the University is

entitled to the funds, subject to any performance conditions being met.

Contract income

Income from contracts and other services rendered are accounted for as revenue and recognised in the Statement of Comprehensive Income to the extent of the completion of the contract or service concerned.

Where the University receives student accommodation income under an agency agreement, it is recognised on a net basis; other accommodation contract income is recognised in the Statement of Comprehensive Income.

Donation and endowments

Endowments are a class of donation where the donor requires the original gift to be invested and the return to be spent in accordance with the donor's charitable aims. The donor can specify that the capital can be spent (expendable endowment) or maintained in perpetuity (permanent endowment).

Endowments are 'Non-Exchange Transactions' and are accounted for under the Performance Model. The original endowment gift is recognised as 'Donation and Endowment' income when receivable.

Returns on endowment investments are recognised as income as earned, and recognised in endowment reserves. Endowment reserves are transferred to unrestricted reserves when they are expended on their restricted purpose.

There are three main types:

- Restricted permanent endowments – the capital fund is maintained



and the income thereon must be applied to the restricted purpose specified by the donor.

- Unrestricted permanent endowments – the capital fund is maintained (and is therefore restricted) but the income thereon can be applied to the general purposes of the University and is therefore unrestricted.
- Expendable endowments – where trustees have the power of discretion to convert endowed capital into income, to be expended on the restricted purpose specified by the donor.

6. Accounting for retirement benefits

Retirement benefits for employees in defined benefit schemes are funded by contributions from the University and employees. Most academic staff are members of the Department for Education's Teachers' Pension Scheme (TPS). There are particular circumstances in which a few members of staff are eligible for the Universities Superannuation Scheme (USS) and some members of the Faculty of Health and PDSE are eligible for membership of the Department of Health's NHS Pension Scheme. Most other employees are members of the Local Government Pension Scheme (LGPS) run by Devon County Council (DCC). Defined contribution schemes with Aviva, Scottish Widows and Legal and General are offered to employees of UPEL, UCSP, PDSE and UPSL. All schemes are independently administered under master trust arrangements.

Contributions to the schemes, except for the LGPS and USS

pension schemes, are charged as expenditure so as to spread the cost of the pensions over the employees' working lives with the University in such a way that the pension cost is a substantially level percentage of present and future pensionable payroll. Variations from regular costs are spread over the expected average remaining working lifetime of members of the schemes after making allowances for further withdrawals.

The University participates in the DCC Pension Fund. The fund, which is part of the LGPS, provides benefits based on the career average pensionable salary. The assets of the scheme are held separately from those of the Group. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The calculation is completed by a qualified actuary.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. 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,

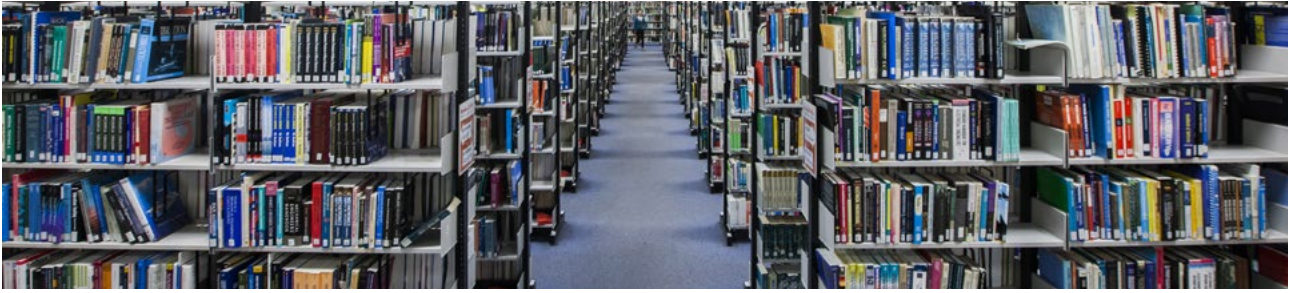
curtailments, and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

This is a defined benefits scheme and is valued every three years by a professionally qualified actuary using the projected unit credit method, the rates of contribution payable being determined by the actuary.

The TPS is valued periodically by the Government Actuary who specifies the contribution rate paid by the University. The Department for Education operates a notional fund for this scheme. The University has no liability for pensions or pension increases for past employees in this scheme. The University is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 Employee Benefits, accounts for the scheme as if it were a defined contribution scheme.

As a result, the amount charged as expenditure represents the contributions payable to the scheme in respect of the accounting period.

The University participates in the USS. 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



The Charles Seale-Hayne Library

“Employee benefits”, the University therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to 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 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 Consolidated Statement of Comprehensive Income.

The NHS Pension Scheme is valued periodically by the Government Actuary who specifies the contribution rate paid by the University. The Department of Health operates a notional fund for this scheme. The University has no liability for pensions or pension increases for past employees in this scheme and accounts for it as required by Section 28 of FRS 102 as if it were a defined contribution scheme.

7. Employment benefits

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

8. Finance leases

Leasing agreements which transfer to the University substantially all the benefits and risks of ownership of an asset are treated as finance leases.

Finance leases are accounted for as if the asset had been purchased outright and are capitalised at the lower of fair value and the present value of the minimum lease payments at inception of the lease and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets.

The finance charges are allocated between the finance charge and reduction of the outstanding liability using the effective interest method over the lease term.

9. Operating leases

Costs in respect of operating leases are expended on a straight line basis over the lease term.

10. Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. All exchange differences are dealt with through the Statement of Comprehensive Income. Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

As the University operates in international markets it is exposed to exchange rate risk when it transacts in foreign currencies or holds assets or liabilities in a foreign currency. The University does not expose itself to unnecessary or speculative exchange rate risk. This is achieved by the use of foreign currency accounts and matching payments and receipts of key currencies wherever possible. The University limits balance sheet exchange exposures by converting

excess foreign currency cash balances on a regular basis.

11. Property plant and equipment

Land and buildings

Buildings are shown at cost less depreciation based on a useful economic life of up to 50 years and are depreciated on a straight line basis. Internal and external refurbishment works are shown at cost less depreciation based on a useful economic life of up to 50 years, which reflects the estimated replacement date, and are depreciated on a straight line basis. Land purchased on or after 1 August 2014 is held at cost less impairment. Land purchased prior to 1 August 2014 was revalued upon transition to FRS 102, and is held at deemed cost based on the market value at 31 July 2014.

Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to income upon meeting performance conditions set by the grantor, this generally being upon completion of the building.

Where no performance condition is specified by the grantor income is recognised immediately as receivable.

Assets in the course of construction are accounted for at cost, based on the value of architects’ certificates and other direct costs incurred to 31 July. They are not depreciated until they are brought into use.

Interest charges which are directly attributable to the construction of buildings are capitalised as part of the cost of those assets. Such interest

is capitalised only up until the date the relevant building is brought into use. The rate of interest used is the applicable cost of funds during this period.

Staff costs arising directly from the construction or acquisition of a specific tangible fixed asset are capitalised as part of the cost of the asset.

Donated land and buildings are valued and capitalised on transfer of title and the corresponding credit is taken as donation income.

Equipment

Equipment costing less than £10,000 per individual item or group of related items is written off as an expense in the year of acquisition. All other equipment is capitalised at cost.

Capitalised equipment is depreciated over its useful economic life using the straight line method. The life of each asset is established on acquisition and may fall within the range of three to ten years depending on its nature. There may be exceptions, where the useful economic life is deemed to be in excess of the three to ten year range and in these instances an appropriate useful economic life will be applied. For a group of related items of computer equipment purchased as part of a networking or software enhancement programme, the life is established by reference to the date of the next proposed upgrade.

When equipment is acquired with the aid of specific grants, it is capitalised and depreciated in accordance with the above policy with the related grant being credited to income upon

meeting performance conditions set by the grantor, this generally being purchase of the asset. Where no performance condition is specified by the grantor income is recognised immediately as receivable.

Impairment

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

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

12. Intangible assets and goodwill

Intangible assets

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

Negative goodwill

Negative goodwill relates to the increase of the University's holding in PSP at the point at which it became a jointly controlled entity. Negative goodwill has been initially measured at the excess of the fair value of the University's share of PSP's net assets at the date of acquisition and the funds invested into the jointly controlled entity. Negative goodwill is amortised on a straight line basis over

the 20 year useful economic life of the investment.

Software and licences

Software and licences costing less than £10,000 per individual item or group of related items are written off in the year of acquisition. All other software and licences are capitalised at cost.

Capitalised software and licences are amortised over their useful economic life using the straight line method. The life of each asset is established on acquisition and may fall within the range of three to ten years depending on its nature and will often be defined by period of use rights specified in the licence agreement.

Intangible assets under development

Intangible assets under development are accounted for at cost and are not amortised until they are brought into use.

13. Investment properties

Investment property is land or a building, or part of a building, or both held for rental income and or capital appreciation rather than for use in delivering services. Mixed use property is separated between investment property and property, plant and equipment where the separate portions can be sold separately or leased out under a finance lease. Where the fair value of the investment property portion cannot be reliably measured the entire property has been included within property, plant and equipment. Investment properties are initially measured at cost and then

subsequently at fair value at the end of each reporting date, with changes in fair value recognised immediately in the surplus or deficit for the year.

Investment properties held in PSP are held at market value. These properties are revalued annually and all gains and losses, both realised and unrealised, are recognised in the Statement of Comprehensive Income as they accrue. Revaluations are conducted annually by an external valuer.

14. Investments

All investments will initially be recognised at cost and subsequently measured at fair value at each reporting date. Where fair value cannot be reliably measured or investments are not publicly traded, they will be measured at cost less impairment. All gains and losses on investment assets, both realised and unrealised, are recognised in the Statement of Comprehensive Income as they accrue.

Investments in subsidiary undertakings and associates are recognised at transaction cost less accumulated impairment losses.

15. Cash and cash equivalents

Cash includes cash in hand, cash held with recognised banks and building societies and deposits repayable on demand, or with a maturity date of less than three months at the placement date.

Cash equivalents are short term, highly liquid investments and government securities that are readily convertible to known amounts of cash with insignificant risk of change

in value. These include term deposits and other instruments held as part of the University's treasury management activities. Highly liquid is considered to be holdings which can be liquidated in less than three months.

The University has a highly cash-based financial model and management of its liquidity risk is of high importance. The University manages its liquidity risk through its Treasury Management Policy. The University limits its exposure to market risk on directly held investments by only holding funds in low risk investment vehicles.

16. Provisions, contingent liabilities and contingent assets

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

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

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

obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the University a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

17. Accounting for joint operations

The University accounts for its share in the Plymouth Science Park Limited joint venture using the equity method.

18. Taxation

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

Deferred tax is provided in full on timing differences that exist at the reporting date and that result in an obligation to pay more tax, or a right to pay less tax in the future.

The deferred tax is measured at the rate expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered



against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and as such is a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 Section 506 (1) of the Income and Corporation Taxes Act (ICTA) 1988. 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), Section 505 of the ICTA 1988 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 does have some trading income which is subject to Corporation Tax.

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

The University's subsidiary companies are subject to Corporation Tax and VAT in the same way as any commercial organisation. The University, UPEL, UCSP and UPSL are in a registered VAT group where VAT is not accounted for on goods and services supplied between group members.

Under UK tax legislation, where allowable, the University enters into gift aid arrangements with its trading subsidiaries to relieve tax liabilities within the group. To the

extent that distributable reserves are available, subsidiary companies gift taxable profits to the University, with the cost being recognised as an expense within the subsidiary and an income within the University. These transactions consolidate out within the group Financial Statements. PDSE is an exception as there is an asset lock in place where profits are not able to be gift aided and are subject to corporation tax.

The gift aid payment is only recognised as a liability by the subsidiary company at the year-end if there is a Companies Act s288 written resolution approved by the relevant Board in the year to pay the taxable profit for the year to the University by a certain payment date.

19. 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.

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. 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.

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

Financial liabilities

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

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

The University is exposed to interest rate risk through its borrowings, currently one of its loans has an interest rate which is linked to movements in the Bank of England base rate. The University has a policy of managing its interest rate risk by using fixed rate options where these are available, but maintains a reasonable balance between the risk of exposure to interest rates with achieving value for money. Where the University is exposed to interest risk it manages this risk passively, with sensitivity analysis performed to ensure that cash flow plans allow for reasonable movements in interest rates without exposing the University to excessive liquidity risk.

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 at transaction price.

To the extent that the University enters into forward foreign exchange contracts which remain unsettled at the reporting date, the fair value of the contracts is reviewed at that date. The initial fair value is measured as the transaction price on the date of inception of the contracts. Subsequent valuations are considered on the basis of the forward rates for those unsettled contracts at the reporting date. The University does

not apply hedge accounting in respect of forward foreign exchange contracts held to manage cash flow exposures of forecast transactions denominated in foreign currencies.

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

20. 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.

The capital reserve represents funds in PDSE that are ring-fenced for capital projects to include associated equipment. Any spend from this capital reserve will be in line with the capital plan and equipment replacement schedule which has been approved by the PDSE board.

21. Critical accounting estimates and judgements

The preparation of the University's financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of

future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Critical accounting estimates

Recoverability of debtors

The provision for doubtful debts is based on the 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 that extends to the impact of COVID-19 on existing debt for commercial and student debtors. The provision for commercial debtors is based on the specific and current situation of the customer, the age profile of the debt and the nature of the amount due. There has been an increase in the provision of £0.3m (2020: £0.8m) which is mainly relating to international Academic Partnership arrangements and specific project related debt. The provision for student debtors is based on specific and current information for home and international students, and undergraduate and postgraduate students. There has been an increase of £0.1m (2020: £0.4m) which reflects the risk to recoverability of accommodation and tuition fee debts for primarily self funding students arising from COVID-19. Management have noted that the impact of COVID-19 on debt recoverability has reduced in year due to improved financial planning and support for students from the Student Services team. Further details are set out in note 18.

The primary credit risk faced by the University is on trade and student

debtors, the credit risk associated with cash holdings are limited as a result of the actions the University takes to mitigate its liquidity risk. Credit risk on trade and student debtors is mitigated through the application of commercial credit terms and the University's Student Debtor policy. This is implemented through the University's credit control function, due diligence checks, and use of specialist third party debt collection services.

Short term employee benefits

Under FRS 102, there is a requirement to recognise a holiday pay accrual for any employees who have a remaining leave balance at the year end. An average number of days for employees is taken from across faculties and professional services areas, this is 4.47 days (2020: 4.32 days) and equates to an accrual of £2.2m (2020: £2.0m). An increase or decrease of one day would result in an increase or decrease in liability of £0.5m. COVID-19 has had an impact on the number of days' annual leave taken and whilst it is policy to carry forward no more than four days, exceptions have been made where employees have been able to carry forward days in excess of four.

Retirement benefit obligations

Local government pension scheme

The cost of the LGPS, as a defined benefit pension plan and other post-employment benefits 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, the impact of market conditions and the long-term nature of these plans, such estimates are subject to significant uncertainty and can create volatility in liabilities and therefore the net asset position. The assumptions used are reviewed and challenged by management via discussion with DCC, the scheme actuary and external auditor. Sector benchmarks and alternate actuary approaches are considered and where appropriate University specific assumptions are used. Salary increases, in line with the five year forecast, are used in the calculation.

Sensitivity analysis considering a 0.1% or 1 year increase and decrease in the following four key assumptions, provides impact on the pension liability as summarised below:

	Assumption	+0.1%	-0.1%
		Liability £000s	Liability £000s
Discount rate	1.6%	(14,664)	15,030
Salary increase	3.85%	717	(713)
Pension increase	2.85%	14,114	(13,789)
	Assumption	+1 year	-1 year
		Liability £000s	Liability £000s
Life expectancy	24.28 years (average)	26,128	(25,049)

Further details are set out in note 31.

The University is exposed to market risks through the valuation of assets held within its defined benefit pension schemes, liabilities on these schemes which are discounted at a rate equal to high quality UK corporate bond rates, and a proportion of its funds which are held as corporate bonds. Exposure to market risks in pension scheme asset and corporate bond asset rates are mitigated by diversification of investments by the pension scheme's management and corporate bonds by holding as part of a diverse portfolio in a segregated fund managed by a specialist fund manager. Market risk associated with the valuation of pension scheme liabilities is managed by regular review of market rates and active management of funding deficits on the pension scheme by the scheme trustees. Market risk on pension assets is managed by the scheme trustees.

Universities Superannuation Scheme

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 USS. 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 accordance with section 28 of FRS 102. Management is satisfied that the Universities Superannuation Scheme meets the definition of a multi-employer scheme and the institution has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

As the University is contractually bound to make deficit recovery payments to USS, this is recognised as a liability. The provision is currently based on the USS deficit recovery plan agreed as part of the 2018 actuarial valuation, which defines the deficit payment required as a

percentage of future salaries until 2028 (2019/20: 2028). These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflations, changes in staff numbers and the prevailing rate of discount. During the year additional members to the scheme created an additional liability which was partially offset by the increase in discount rate. A 0.1% movement in discount rates creates an increase/decrease in liability of £8k. A new USS Schedule of Contributions (SOC) based on the 2020 valuation is subject to final consultation due to be concluded by February 2022. The rate of 21.4% has been agreed from October 2021, effective until April 2022. This has resulted in an increase in employer contribution rate from 21.1% to 21.4% and an increase in the deficit recovery rate from 6.0% to 6.3%, which is effective from 1 April 2022. Further details are set out in notes 31 and 32.

Dilapidation provision

The dilapidation provision represents contributions and expenditure which is in line with a life cycle costing model appropriate to the buildings that a provision is held against. This ensures that the continuing maintenance arrangements that have been entered into as part of a lease obligation can be fulfilled. £1.3m of the dilapidation provision relates to PMSF (2020: £1.4m) and £4.0m to PDSE (2020: £4.0m). The University dilapidation provision represents estimated expenditure to be incurred upon the vacation of leased properties and is based on contract terms and the condition of properties as at 31 July 2021. The provision is £0.6m (2020: £0.7m). Further details are set out in note 25.

Critical judgements and assumptions

Income recognition

Judgement is applied in determining the value and timing of certain income items to be recognised in the financial statements. This includes determining when performance related conditions have been met, and determining the revenues associated with partially delivered courses and training where the activities have not been fully completed at the reporting date. This extends to the receipt of accelerated Quality Related (QR) Research funding, income received from Health Education England (HEE) and costs associated with deferred research activity as a result of COVID-19 restrictions.

Useful lives of property, plant and equipment

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

The lives are based on historical experience with similar assets as well as anticipation of future events. During the year a review of useful lives for internal works refurbishment projects was carried out to ensure each component is accurately depreciated. Details of the carrying values of property, plant and equipment are set out in note 15.

Impairments

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. These include a direct link to the Campus and Estates Strategy to assess the impact of campus developments on existing buildings in the form of demolition or major refurbishments. If there is an indication of impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised in the period it arises.

Investment property

Investment properties held in the joint venture, Plymouth Science Park (PSP), are revalued to their fair value at the PSP reporting date by Vickery Holman. The valuation is based on assumptions and judgements which are impacted by a variety of factors including market and other economic conditions. Further details are set out in note 17.

The University does not own any property with the primary objective being to earn rentals and/or for capital appreciation. Properties are held for social benefit to support the University's primary objective of supporting education and research and therefore classed as tangible assets. Where property is rented to tenants there is a direct impact and benefit to the University's research objectives, which supports the provision and quality of education and

teaching. Management review the use of properties on an annual basis.

Onerous lease provisions

Management have reviewed leases held on buildings that are not currently in use as a result of COVID-19 due to extensive remote working. There have not been any instances where it has been necessary for the lease cost to be recognised where it is confirmed that the building will not be used before the lease arrangement expires and therefore a benefit will not be derived.

Events after the reporting period

Management have reviewed events after the reporting period and reflect the outcome of the review in note 32.

A new USS Schedule of Contributions (SOC) based on the 2020 valuation is subject to consultation and agreement to benefit changes. The interim agreed rate from October 2021 is 21.4% a reduction of 2.3% expected in the 2018 valuation. If agreed this rate will continue until the next valuation and include 6.3% of deficit recovery contributions from April 2022. This results in an increase of £3.8m in the USS provision, from £2.1m to £5.9m, and represents the obligation to fund the deficit. This adjustment will be reflected in the University's Financial Statements for the year ending 31 July 2022.

Financial Statements

Consolidated and University Statement of Comprehensive Income

for the year ended 31 July

		Consolidated		University	
	Note	2021 £000	2020 £000	2021 £000	2020 £000
Income					
Tuition fees and education contracts	1	146,158	143,900	146,155	143,820
Funding body grants	2	35,299	31,979	35,299	31,979
Research grants and contracts	4	16,687	11,875	16,445	11,803
Other income	5	39,816	38,572	25,861	27,792
Investment income	6	1,147	1,317	934	1,033
Donations and endowments	7	330	350	330	350
Total income		239,437	227,993	225,024	216,777
Expenditure					
Staff costs	8,11	(143,356)	(131,498)	(138,841)	(127,392)
Other operating expenses	10,11	(64,738)	(67,774)	(59,064)	(62,735)
Depreciation and amortisation	14,15	(17,431)	(18,793)	(17,131)	(18,647)
Interest and other finance costs	12	(6,369)	(6,215)	(6,362)	(6,206)
Total expenditure		(231,894)	(224,280)	(221,398)	(214,980)
Surplus before other gains/(losses) and share of operating (deficit)/surplus of joint venture		7,543	3,713	3,626	1,797
Share of joint venture operating (deficit)/surplus	17	(347)	440	-	-
(Loss)/gain on investments		(286)	313	(286)	313
Gain/(loss) on disposal of fixed assets		181	(25)	181	(25)
Surplus before taxation		7,091	4,441	3,521	2,085
Taxation	13	(807)	(317)	(23)	(10)
Surplus for the year		6,284	4,124	3,498	2,075
Other comprehensive income					
Actuarial gain/(loss) in respect of pension schemes	24	4,835	(99,112)	4,764	(98,984)
Total comprehensive income for the year		11,119	(94,988)	8,262	(96,909)
Represented by:					
Net endowment comprehensive income for the year	26	-	77	-	77
Net restricted comprehensive income for the year	27	(1,634)	(134)	120	(134)
Net unrestricted comprehensive income for the year		12,753	(94,931)	8,142	(96,852)
		11,119	(94,988)	8,262	(96,909)

All activities relate to continuing operations.

Consolidated and University Statement of Changes in Reserves

for the year ended 31 July

			Income and expenditure		Total £000
	Capital £000	Endowment £000	Restricted £000	Unrestricted £000	
Consolidated					
At 1 August 2019	5,155	65	1,098	93,622	99,940
Surplus for the year	-	77	(134)	4,181	4,124
Other comprehensive income	-	-	-	(99,112)	(99,112)
Total comprehensive income	-	77	(134)	(94,931)	(94,988)
At 1 August 2020	5,155	142	964	(1,309)	4,952
Surplus for the year	-	-	120	6,164	6,284
Other comprehensive income	-	-	-	4,835	4,835
Transfer between reserves	(1,754)	-	-	1,754	-
Total comprehensive income	(1,754)	-	120	12,753	11,119
At 31 July 2021	3,401	142	1,084	11,444	16,071
University					
At 1 August 2019	-	65	1,098	89,054	90,217
Surplus for the year	-	77	(134)	2,132	2,075
Other comprehensive income	-	-	-	(98,984)	(98,984)
Total comprehensive income	-	77	(134)	(96,852)	(96,909)
At 1 August 2020	-	142	964	(7,798)	(6,692)
Surplus for the year	-	-	120	3,378	3,498
Other comprehensive income	-	-	-	4,764	4,764
Total comprehensive income	-	-	120	8,142	8,262
At 31 July 2021	-	142	1,084	344	1,570

Consolidated and University Statement of Financial Position

as at 31 July

	Note	Consolidated		University	
		2021 £000	2020 £000	2021 £000	2020 £000
Fixed assets					
Intangible assets and negative goodwill	14	1,662	2,028	3,136	3,665
Tangible fixed assets	15	258,820	250,925	254,818	250,318
Investments	16	200	200	3,662	1,812
Investment in joint venture	17	6,118	6,465	-	-
		266,800	259,618	261,616	255,795
Current assets					
Debtors: amounts falling due after more than one year	18	4,217	3,522	4,217	3,522
Debtors: amounts falling due within one year	18	24,453	20,681	24,899	21,512
Investments	19	40,000	28,001	40,000	28,001
Cash and cash equivalents		115,207	107,313	87,185	81,133
		183,877	159,517	156,301	134,168
Creditors: amounts falling due within one year	20	(59,057)	(54,029)	(46,630)	(42,523)
Net current assets		124,820	105,488	109,671	91,645
Total assets less current liabilities		391,620	365,106	371,287	347,440
Creditors: amounts falling due after more than one year	21	(60,516)	(60,368)	(60,516)	(60,368)
Provisions					
Pension provision	24, 31	(308,829)	(293,591)	(308,311)	(293,022)
Other provisions	25	(6,204)	(6,195)	(890)	(742)
Total net assets/(liabilities)		16,071	4,952	1,570	(6,692)
Restricted reserves					
Endowment reserve	26	142	142	142	142
Income and expenditure reserve	27	1,084	964	1,084	964
Capital reserve	27	3,401	5,155	-	-
		4,627	6,261	1,226	1,106
Unrestricted reserves					
Income and expenditure reserve		11,444	(1,309)	344	(7,798)
Total reserves		16,071	4,952	1,570	(6,692)

The Financial Statements on pages 52 to 102 were approved by the Board of Governors on 25 November 2021 and were signed on its behalf by:

C I J H Drummond OBE DL
Pro-Chancellor and Chair of the Board of Governors

Professor J Petts CBE
Vice-Chancellor and CEO

Consolidated Statement of Cash Flows

for the year ended 31 July	Note	2021 £000	2020 £000
Cash flow from operating activities			
Surplus for the year before tax		7,091	4,441
Adjustment for non-cash items			
Depreciation and amortisation of intangibles	15, 14	17,431	18,793
Amortisation of negative goodwill	14	(163)	(163)
(Increase)/decrease in debtors		(4,345)	2,171
Increase/(decrease) in creditors		2,733	(2,117)
Increase in pension provision		20,073	12,340
Increase in other provisions		9	526
Share of operating deficit/(surplus) in joint venture		347	(440)
Adjustment for investing or financing activities			
Investment income		(1,147)	(1,317)
Interest payable		2,321	2,462
Endowment income		-	(75)
Capital grant income		(3,115)	(1,698)
Loss/(gain) on investments		286	(313)
(Gain)/loss on disposal of fixed assets		(181)	25
Cash flows from operating activities before taxation		41,340	34,635
Taxation		(807)	(317)
Cash flows from operating activities after taxation		40,533	34,318
Cash flows from investing activities			
Proceeds from sales of fixed assets		181	400
Capital grant receipts		2,952	1,528
Investment income		1,005	2,124
Payments made to acquire tangible fixed assets		(22,614)	(16,326)
Payments made to acquire intangible fixed assets		(364)	(1,393)
(New deposits)/withdrawal of deposits		(11,999)	1,002
		(30,839)	(12,665)
Interest paid on bank loans		(941)	(1,089)
Interest element of finance leases		(1,381)	(1,387)
Endowment cash received		-	63
Repayments of amounts borrowed		(1,945)	(1,939)
Capital element of finance leases		(113)	(72)
New unsecured loans		2,580	-
		(1,800)	(4,424)
Increase in cash and cash equivalents in the year		7,894	17,229
Cash and cash equivalents at beginning of the year		107,313	90,084
Cash and cash equivalents at end of the year		115,207	107,313

At 31 July 2021 the University held £24.7m (2020: £23.3m) on behalf of its subsidiary PDSE over which there is an asset lock. These balances are not available to fund the general liabilities and expenditure of the University.

Notes to the Financial Statements

1 Tuition fees and education contracts

	Consolidated		University	
	2021	2020	2021	2020
	£000	£000	£000	£000
Full-time UK and European Union (EU) students	120,339	119,092	120,344	119,096
Part-time UK and European Union (EU) students	5,195	4,225	5,195	4,225
Full-time and part-time non-EU students	16,955	17,381	16,955	17,381
Special and short course fees	706	328	680	233
Studentships	847	584	865	595
Total fees by or on behalf of individuals	144,042	141,610	144,039	141,530
Education contracts	2,116	2,290	2,116	2,290
Total	146,158	143,900	146,155	143,820

Tuition and other course fees relate directly to the provision of specific academic and non-academic courses.

Education contracts income, which is commissioned payments received from Health Education England and the National Health Service, relates to the teaching of nursing and midwifery courses.

All tuition and education contract income is recognised on a pro-rata basis across the duration of the course, in line with the provision of the courses to students.

Amendments to FRS 102 (including disclosures) following the UK exit from the EU are applicable from the year ending 31 July 2022.

2 Funding body grants

	Consolidated and University	
	2021	2020
	£000	£000
Office for Students teaching grant	16,300	15,954
Research England research grants	12,082	8,707
Office for Students other grants	3,802	5,620
Capital grants	3,115	1,698
Total	35,299	31,979

The Office for Students (OfS) and Research England recurrent grants are the annual funding for the purposes of teaching and research. Each grant relates to a specific academic year and is recognised in full in the year to which it relates.

OfS other grants include £1.0m hardship funds which have been disbursed to students and £0.3m COVID-19 testing funding, paid on behalf of the Department of Health and Social Care (DHSC).

Capital grants are those grants provided for the purposes of purchasing or building capital assets for both teaching and research.

3 Grant and fee income

	Consolidated		University	
	2021	2020	2021	2020
	£000	£000	£000	£000
Grant income from the Office for Students	22,032	17,220	22,032	17,220
Grant income from other bodies	13,267	14,759	13,267	14,759
Fee income for taught awards*	142,879	141,277	142,880	141,278
Fee income for research awards*	1,726	1,711	1,730	1,714
Fee income from non-qualifying courses*	1,553	912	1,545	828
Total	181,457	175,879	181,454	175,799

*exclusive of VAT

4 Research grants and contracts

	Consolidated		University	
	2021	2020	2021	2020
	£000	£000	£000	£000
Research councils	7,501	3,913	7,501	3,913
UK-based charities	1,996	1,692	1,996	1,692
UK-based government bodies	4,256	3,077	4,224	3,077
UK-based industry and commerce	435	374	400	302
European grants and contracts	1,776	1,664	1,776	1,664
Other overseas grants and contracts	548	1,113	373	1,113
Other grants and contracts	175	42	175	42
Total	16,687	11,875	16,445	11,803

Research funding from United Kingdom Research Councils and the European Commission are received on the basis of reimbursing the University for costs incurred in performance of the research. Income is recognised in line with expenditure which creates a right to receive funding from these bodies.

Funding from charities and industry is recognised based on terms set out in individual funding agreements. In the majority of cases income is recognised on a reimbursement basis, with income recognised as costs are incurred for which the University has a right to reimbursement.

5 Other income

	Consolidated		University	
	2021	2020	2021	2020
	£000	£000	£000	£000
		Restated*		Restated*
Residences, catering and conferences	1,720	2,400	1,684	2,130
Other grant income	22,916	19,723	12,714	12,560
Premises and car park income	3,991	4,277	2,847	2,563
Amortisation of negative goodwill	163	163	-	-
Educational royalties and service charges	6,401	7,328	6,416	7,327
Gift aid payments from subsidiaries	-	-	95	731
Other miscellaneous income	4,625	4,681	2,105	2,481
Total	39,816	38,572	25,861	27,792

Residences, catering and conferences includes £1.5m (2020: £1.1m) rental income from halls of residence contracted by the University for the provision of accommodation to students, the majority of which is payable to the landlord.

Educational royalties and service charges include income from other institutions for the right to teach courses developed by the University and to award degrees on its behalf.

Other grant income includes £1.6m COVID-19 capital funding from the Department of Health and Social Care (DHSC) and £1.0m COVID-19 revenue funding from Health Education England (HEE); both in respect of PDSE. Other HEE grant income for PDSE activity was £7.7m (2020: £7.3m), of which £2.3m (£2.0m) was paid to the University's Peninsula Medical School to fund dental placements and academic supervisors.

*Residences, catering and conferences income of £1.8m (University: £0.5m) has been reclassified as Premises and car park income.

6 Investment income

	Consolidated		University	
	2021	2020	2021	2020
	£000	£000	£000	£000
Income from endowments	2	2	2	2
Other investment income	1,142	1,313	932	1,031
Dividend income from non-current investments	3	2	-	-
Total	1,147	1,317	934	1,033

7 Donations and endowments

	2021	2020
Consolidated and University	£000	£000
New endowments	-	75
Donations with restrictions	324	269
Unrestricted donations	6	6
Total	330	350

8 Staff costs

The average weekly number of persons (including senior post holders) employed by the University and its subsidiaries during the year, expressed as full time equivalents (FTEs), was:

	Consolidated	
	2021 Number	2020 Number
Teaching departments (including research)	1,414	1,369
Other support services	394	380
Administration and central services	203	185
Premises	130	130
Other income generating activities	248	242
Catering and residences	55	57
Total	2,444	2,363

The majority of the above increase relates to research positions.

	Consolidated		University	
	2021 £000	2020 £000	2021 £000	2020 £000
Wages and salaries	98,981	95,827	95,338	92,799
Social security costs	10,134	9,769	9,737	9,455
Pension costs (note 31)	17,879	17,074	17,417	16,309
	126,994	122,670	122,492	118,563
Pension costs – movement on LGPS (note 31)	16,390	10,592	16,377	10,593
Pension costs – movement on USS (note 31)	(28)	(1,764)	(28)	(1,764)
Total	143,356	131,498	138,841	127,392

Senior post holder's remuneration

	2021	2020
	£	£
Remuneration of the Vice-Chancellor and CEO		
Salary	245,555	245,555
Pay in lieu of pension contributions	25,718	25,718
Total salary	<u>271,273</u>	<u>271,273</u>
Pension contributions	16,825	16,558
Total salary and pension contributions	<u>288,098</u>	<u>287,831</u>
Taxable benefits		
Healthcare	1,668	824
Non-taxable benefits		
Death in service	-	21
Total benefits	<u>1,668</u>	<u>845</u>
Total remuneration	<u>289,766</u>	<u>288,676</u>

In considering pay for the Vice-Chancellor and CEO in November 2020, the Reward and Remuneration Committee considered the University's performance in 2019/20 against the declared strategic KPI's (as reported in the Annual Report and Financial Statements 2019-20), the Vice-Chancellor and CEO's performance against her personal objectives, and the Vice-Chancellor's remuneration package against comparator data.

The Reward and Remuneration Committee noted when taking its decision in November 2020:

- the exceptional challenges in leading a University through the pandemic including the impact on all students, staff, partner organisations. A staff survey in June 2020 showed that 85% of respondents felt that University of Plymouth is a good place to work and when asked for views about the future, staff were more optimistic about the future of the University of Plymouth than the future of the overall sector (55% and 48% respectively);
- the University of Plymouth was a large and complex institution which included medicine and dentistry, with an income of £228.0m (2019/20), over 24,000 students studying in the UK and globally (including over 18,000 within the city of Plymouth), and over 2,400 staff on multiple sites across the region;
- the Vice-Chancellor and CEO had led the University to achieve another year of marked progress and institutional achievement in pursuit of the University's strategic objectives as outlined in its refreshed Strategy 2030; this was in the context of a volatile and highly competitive higher education sector. Key achievements, as reported in the Annual Report and Financial Statements 2019-20, included:
 - an operating surplus before tax of £3.7m;
 - above sector average results in the National Student Survey (NSS) 2020. Plymouth achieved 84.9% for Overall Satisfaction, slightly down from 85.3% the prior year, and above the sector median of 83.0%. Consequently, this had resulted in the University rising from 48th to 25th in the NSS league table;
 - a continuing rise in global and national league tables;
- the University's continuing contribution to the economic, social and cultural life of the region beyond, the scale of which was confirmed by an independent impact report (2018) and has since led to the University being showcased within the Civic University Commission's report published in February 2019;
- the development of a Campus Masterplan, setting out the University's vision for its estate and investment priorities over the next decade to create an inspiring, progressive and sustainable environment in the heart of Plymouth; and
- that given the size, complexity and performance of the University, the Vice-Chancellor's total remuneration was in the lower quartile when compared with Vice-Chancellors of similar sized universities in the UK.

The Reward and Remuneration Committee concluded that the Vice-Chancellor and CEO was performing at a high level, providing clear leadership to the University in a challenging context resulting from the wide range of external factors impacting on the HE sector. Nonetheless, whilst there were clear reasons to consider a salary increase as noted above, the Reward and Remuneration Committee also had to consider:

- the financial context within which the University was operating;
- expected pay awards in the sector for VCs;
- University's pay award for senior staff;
- national pay award for the University's staff in grades 1-9.

Hence, given these points it was agreed that the Vice-Chancellor and CEO's pay would remain unchanged i.e. a 0% pay award - the same award as that for other senior staff and in line with the national pay award. This award transpired to be the median award in the sector that year (source: CUC).

Pay ratios

The ratios between the Vice-Chancellor and CEO's remuneration and all other University staff (including subsidiary staff) are as follows:

	Vice-Chancellor and CEO	All other staff (median)	2021		2020	
			Pay ratio	Vice-Chancellor and CEO	All other staff (median)	Pay ratio
			Number	£000	£000	Number
Basic salary	246	36	6.8	246	36	6.8
Total remuneration	290	42	6.9	289	42	6.9

Key management personnel

Key management personnel are deemed to be the University Executive Group (UEG) which consisted of 9 members as at 31 July 2021 (2020: 9) and includes the following roles:

1. Vice-Chancellor and CEO
2. Deputy Vice-Chancellor, International and Planning
3. Deputy Vice-Chancellor, Education and Student Experience
4. Deputy Vice-Chancellor, Research and Enterprise
5. Interim Registrar and Secretary
6. Interim Chief Financial Officer
7. Executive Dean, Faculty of Health
8. Interim Executive Dean, Faculty of Arts, Humanities and Business
9. Executive Dean, Faculty of Science and Engineering

	2021	2020
	£000	£000
UEG total salary, pension and other emoluments	<u>1,666</u>	<u>1,686</u>

Remuneration of higher-paid staff

The number of staff, including UEG members and the Vice-Chancellor and CEO, who received FTE basic remuneration (excluding pension contributions, bonuses, allowances, clinical excellence awards and other such payments) in the following ranges above £100,000 were:

	2021	2020
	Number	Number
		Restated
£100,000-£104,999	3	3
£105,000-£109,999	-	3
£110,000-£114,999	5	1
£115,000-£119,999	1	1
£120,000-£124,999	2	1
£125,000-£129,999	1	2
£130,000-£134,999	2	1
£135,000-£139,999	1	-
£160,000-£164,999	-	1
£170,000-£174,999	-	1
£245,000-£249,999	1	1

The above excludes amounts reimbursed by the NHS and the FTE salary of staff who joined or left the University part way through the year.

*The comparatives have been updated to include the Vice-Chancellor and CEO, as required by the OfS published 'Clarification on the requirements of the accounts direction' (July 2021), and 3 part-time staff who received a FTE basic remuneration over £100k.

Compensation for loss of office

The total compensation for loss of office and the number of staff (including senior post-holders) to whom this relates was:

	2021	2021	2020	2020
	£000	Number of employees	£000	Number of employees
			Restated*	
Compensation for loss of office	539	38	177	44

The above includes non-cash pension curtailment costs of £266k (2020: £10k), which comprises current year non-cash pension curtailment costs of £513k (2020: £10k), offset by a release of curtailment costs charged in previous years of £247k (2020: £nil) in respect of staff who have not left the University as planned.

* The comparative has been updated to include £10k non-cash pension curtailment costs.

9 Access and participation

	2021	2020
	£000	£000
Access investment	1,983	1,895
Financial support	2,696	1,729
Disability support (excluding expenditure included in the two categories above)	361	393
Research and evaluation	179	37
Total	5,219	4,054

£1.6m (2020: £1.2m) of the above costs are included in staff costs (note 8).

Access and participation expenditure

At the heart of the University of Plymouth's vision, Advancing Knowledge, Transforming Lives, there remains a clear commitment to access and participation for all student groups. The current Access and Participation Plan* aims to ensure all of our students have equal opportunities to access Higher Education, to be successful while at University and to progress into employment or postgraduate study. Our overriding strategic objective is to reduce and minimise the access, attainment and progression gaps that exist in our underrepresented student populations, whilst supporting our inclusive community of students and scholars in order to ensure the success of all.

The plan included a forecast for 10.7% of higher fee income (income from fees above the basic fee threshold) to be invested in Access, Financial Support and Research and Evaluation. The spend of £5.2m in 2020/21 represents 13.7% of the higher fee income in year. The increase in spend is driven by higher financial support payments due to the award of £1.0m of COVID-19 hardship grants to students in year which were funded from additional funding from the OfS. Without the additional COVID-19 hardship grants, spend would have been 11.2% of higher fee income.

Access expenditure is 5.2% against 5% forecast, Financial Support is 7.1% against 4.2% forecast, Research and Evaluation is 0.5% against 1.5% forecast and Disability is 0.9%, which was not included in the original plan but previously part of the Student Success and Progression elements of the Access and Participation work.

Access expenditure

We have built partnerships with schools and third sector bodies, both local and national over a number of years and have a number of initiatives to increase access to Higher Education. These include being a partner for Children's University where we oversee and manage the implementation and operation of Devon and Cornwall Children's University and working with the CoachBright organisation that trains University students to coach individual pupils for one hour a week over the course of a term in school helping them become independent and resilient learners.

Financial Support

We recognise that students from low-income households face access barriers under the broad heading of finance, and we offer an access bursary (the Mayflower Award) to such students. The purpose of this bursary is to mitigate against some of the financial challenges of accessing Higher Education, for instance contributing to accommodation, living or transport costs. From our own evaluation of the Mayflower Award, using the OfS Financial Support Evaluation Toolkit (see Section 3.3.1 – Financial Evaluation of the Access and Participation Plan*), we know that more students who received the Mayflower Award continued into their second year of study, compared with those who did not receive it. We will continue to offer this support because our data and evaluation have shown that by supporting students from low-income households we are also reaching other underrepresented groups, in particular, low participation neighbourhood students, mature students, disabled students and care leavers.

In 2020/21 there was additional one-off financial support given by the OfS to recognise the impact of the Covid-19 pandemic on students. We have received and distributed £1.0m of COVID-19 hardship financial support to students and this is included in the APP expenditure reported.

Research and Evaluation

Our Access and Participation Plan aims to embed evaluation throughout our strands of work and improve our data analysis capacity. As a result of this we have made additional investment to our Impact Evaluation Team. We have robust methods in place to evaluate our access activities and work is in progress to consolidate our approach to evaluating our access and participation interventions. In terms of continuous improvement, our recent focus has been on improving our data analysis and also our financial evaluation processes. Over the coming years we will extend this work to encompass both success and progression projects creating a holistic framework to evaluate our Access and Participation Plan.

Disability

Our Disability Service team provides help and advice for students, both before they arrive and whilst they are here, to support their success. Through the Student Services team, the University has mobilised disability and mental health support with Disability Advisors and Mental Health Advisors offering drop-ins for academic staff to advise them on how to support students as well as attending 'Meet Your Advisor' sessions at School staff meetings to promote the services on offer. Professional Service Support teams complete mental awareness training to ensure they are able to support students effectively.

* Current plan: https://apis.officeforstudents.org.uk/accessplansdownloads/2024/UniversityOfPlymouth_APP_2020-21_V1_10007801.pdf

10 Other operating expenses

	Consolidated		University	
	2021	2020	2021	2020
	£000	£000	£000	£000
Premises and utilities	10,950	11,395	9,551	10,022
Payments to partner institutions	1,312	1,250	1,312	1,250
Grants to University of Plymouth Students' Union	2,006	1,989	2,006	1,989
Equipment	3,382	3,512	2,963	3,011
Non-payroll staff costs	2,081	2,292	1,975	2,187
Travel and subsistence	251	1,949	217	1,865
Support and administration services	1,075	1,324	857	1,185
Communication, marketing, printing and stationery	4,588	4,615	4,457	4,476
Scholarships, bursaries and grants	5,175	4,290	5,160	4,274
Library and periodicals	4,283	4,418	4,252	4,400
Consumables	4,478	3,617	3,208	2,903
Residences, catering and conferences	215	990	168	856
Educational visits	1,371	1,992	1,345	1,934
Software and IT services	5,704	5,278	5,606	5,159
Collaboration and participant payments	4,700	2,015	4,649	1,980
Rent	2,549	3,186	1,984	2,443
Other expenses	10,618	13,662	9,354	12,801
Total	64,738	67,774	59,064	62,735

Members of the Board of Governors have not received remuneration or waived payments from the University during the year. Amounts paid to members of the Board of Governors of £675 (2020: £3,804) are included in non-payroll staff costs above. This represents travel and subsistence expenses incurred in carrying out University business.

Auditor's remuneration

Included within the support and administration services expense above are the following relating to the remuneration of Mazars LLP (2020: Mazars LLP), the University's external auditors:

	2021	2020
	£000	£000
University	46	46
Subsidiary entities	33	28
Total audit fees	79	74
Fees payable to the University's auditors for the provision of non-audit work	27	25

Subsidiary audit fees relate to 5 entities (2020: 4).

11 Analysis of staff costs and other operating expenses by activity

	Staff costs		Other operating expenses	
	2021	2020	2021	2020
Consolidated	£000	£000	£000	£000
Teaching departments	85,470	82,177	17,252	17,349
Other support services	15,374	14,873	16,598	17,864
Administration and central services	10,636	10,644	10,824	10,026
Premises	3,854	3,789	8,968	9,118
Other income generating activities	10,390	9,862	10,307	10,045
Catering and residences	1,270	1,325	789	3,372
	126,994	122,670	64,738	67,774
Movement on LGPS	16,390	10,592	-	-
Movement on USS	(28)	(1,764)	-	-
	143,356	131,498	64,738	67,774
University				
Teaching departments	85,268	82,055	17,258	17,348
Other support services	15,373	14,872	16,599	17,864
Administration and central services	10,611	10,612	10,801	9,766
Premises	3,854	3,789	9,278	9,429
Other income generating activities	6,239	6,151	4,379	5,032
Catering and residences	1,147	1,085	749	3,296
	122,492	118,564	59,064	62,735
Movement on LGPS	16,377	10,592	-	-
Movement on USS	(28)	(1,764)	-	-
	138,841	127,392	59,064	62,735

12 Interest and other finance costs

	Consolidated		University	
	2021	2020	2021	2020
	£000	£000	£000	£000
Loan interest	940	1,068	940	1,068
Finance lease interest	1,381	1,394	1,381	1,394
Net interest charge on pension scheme	4,048	3,753	4,041	3,744
Total	6,369	6,215	6,362	6,206

13 Taxation

	Consolidated		University	
	2021	2020	2021	2020
	£000	£000	£000	£000
Current Tax				
<i>UK corporation tax</i>				
UK corporation tax of 19% (2020: 19%) on surplus for subsidiary undertakings	784	307	-	-
Foreign taxes	23	10	23	10
Total tax expense	807	317	23	10

Factors affecting the tax charge

The tax assessed for the year is at the standard rate of corporation tax in the UK of 19% (2020: 19%). The difference is explained below:

Surplus before taxation	7,091	4,441	3,521	2,085
University surplus multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	669	396	669	396
Subsidiary and joint venture surplus/(deficit) multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	678	448	-	-
Surplus falling within charitable exemption	(563)	(537)	(669)	(396)
Unrelieved overseas taxation	23	10	23	10
Tax charge for the year	807	317	23	10

Deferred tax at 31 July 2021 has been calculated on the basis of 25% being the rate that was substantially enacted on 24 May 2021. This rate will take effect from 1 April 2023.

14 Intangible assets and negative goodwill

Intangible assets	Intangible assets under development £000	Software and licences £000	Total £000
Consolidated and University			
Cost			
At 1 August 2020	-	4,232	4,232
Additions	310	2	312
At 31 July 2021	310	4,234	4,544
Accumulated amortisation			
At 1 August 2020	-	(567)	(567)
Charge for year	-	(841)	(841)
At 31 July 2021	-	(1,408)	(1,408)
Net book value			
At 31 July 2021	310	2,826	3,136
At 31 July 2020	-	3,665	3,665
Negative goodwill			Negative goodwill £000
Consolidated			
Cost			
At 1 August 2020 and 31 July 2021			(3,269)
Accumulated amortisation			
At 1 August 2020			1,632
Credit for the year			163
Net book value			1,795
At 31 July 2021			(1,474)
At 31 July 2020			(1,637)

Negative goodwill arose in 2009/10 when the University increased its holding in Plymouth Science Park Limited such that it became a jointly controlled entity and is being amortised over 20 years.

15 Tangible assets

Consolidated	Assets in the course of construction £000	Freehold land and buildings £000	Leasehold land and buildings £000	Equipment £000	Total £000
Cost					
At 1 August 2020 (restated*)	10,580	284,638	61,876	46,144	403,238
Additions	16,084	776	1,185	7,208	25,253
Transfers	(9,980)	2,082	7,889	9	-
Costs transferred to expenditure	(768)	-	-	-	(768)
Disposals	-	-	-	(604)	(604)
At 31 July 2021	15,916	287,496	70,950	52,757	427,119
Accumulated depreciation					
At 1 August 2020 (restated*)	-	(105,052)	(13,311)	(33,950)	(152,313)
Charge for year	-	(8,282)	(2,544)	(5,764)	(16,590)
Eliminated in respect of disposals	-	-	-	604	604
At 31 July 2021	-	(113,334)	(15,855)	(39,110)	(168,299)
Net book value					
At 31 July 2021	15,916	174,162	55,095	13,647	258,820
At 31 July 2020 (restated*)	10,580	179,586	48,565	12,194	250,925

University	Assets in the course of construction £000	Freehold land and building £000	Leasehold land and buildings £000	Equipment £000	Total £000
Cost					
At 1 August 2020 (restated*)	10,395	284,638	61,876	44,899	401,808
Additions	14,624	776	924	5,234	21,558
Transfers	(8,664)	2,082	6,574	8	-
Costs transferred to expenditure	(768)	-	-	-	(768)
Disposals	-	-	-	(604)	(604)
At 31 July 2021	15,587	287,496	69,374	49,537	421,994
Accumulated depreciation					
At 1 August 2020 (restated*)	-	(105,052)	(13,311)	(33,127)	(151,490)
Charge for year	-	(8,282)	(2,464)	(5,544)	(16,290)
Eliminated in respect of disposals	-	-	-	604	604
At 31 July 2021	-	(113,334)	(15,775)	(38,067)	(167,176)
Net book value					
At 31 July 2021	15,587	174,162	53,599	11,470	254,818
At 31 July 2020 (restated*)	10,395	179,586	48,565	11,772	250,318

*Freehold land buildings with a net book value of £29.3m have been reclassified as leasehold land and buildings.

Finance leases

Included in the net book value of leasehold land and buildings (Consolidated and University) is £13.9m (2020: £14.3m) in respect of the Rolle Building which is funded through a finance lease. Depreciation of £0.4m was charged on this asset during the year to 31 July 2021 (2020: £0.4m).

16 Non-current Investments

	Consolidated		University	
	2021 £000	2020 £000	2021 £000	2020 £000
Shares in subsidiary companies	-	-	2,150	300
Other non-current investments	200	200	37	37
Investment in joint venture	-	-	1,475	1,475
Total	200	200	3,662	1,812
Other fixed asset investments consist of:				
CVCP Properties plc	37	37	37	37
BioVault Scientific Limited	150	150	-	-
Crowdfunder Limited	13	13	-	-
Total	200	200	37	37

ENTITY	NATURE OF ACTIVITY	INTEREST
Subsidiary undertakings		
University of Plymouth Enterprise Limited*	Research, consultancy, car parking and events service provision	100%
PMS (Facilities) Plymouth Limited*	Facilities management of Medical and Dental School	100%
University Commercial Services Plymouth Limited*	Nursery, catering and hospitality service provision	100%
University of Plymouth Services Limited*	Employment of University professional services staff	100%
Peninsula Dental Social Enterprise CIC	Dental and other clinical and non-clinical services including the provision of clinical placements for University students	Sole member
Jointly controlled undertaking		
Plymouth Science Park Limited**	Property management of Plymouth Science Park	50%
Other unconsolidated undertakings – University		
James Square (Plymouth) Limited**	Provision of the Rolle Building	40% of board
Mount Batten Sailing and Watersports Centre**	Provision of watersports activities	29% of board
Seale-Hayne Educational Trust***	Grant awarding charity specific to agricultural research	17% of Trustees
CVCP Properties plc*	Property management company	0.87%
Other investments – UPEL		
Pulsiv Limited*	Solar Panel performance	39%
Crowdfunder Limited*	Fundraising facilitator	<1%
Porexper Limited*	Research and development – porous materials	35%
Biovault Scientific Limited*	Tissue bio bank	13%
Advanced Control Research Limited*	Research and development – intelligent controls systems	13%
Ebusiness South West Limited*	IT related activities	10%

ENTITY	NATURE OF ACTIVITY	INTEREST
Argans Limited*	Research and development – natural sciences and engineering	6%
Vertical Plus Limited*	IT related activities	3%
Fieldwork Robotics Limited*	Development of robotic harvesting equipment	35%
The Vaccine Group Limited*	DNA vaccine development and marketing	44%
Molendotech Limited*	Commercialisation of water contamination screening technology	29%
Amprologix Limited*	Development and marketing of antimicrobials	20%

*Company limited by shares

**Company limited by guarantee

***Charitable trust

Other unconsolidated undertakings for the University and UPEL investments are not consolidated as the University is not considered to have significant influence.

All of the above entities are incorporated in England and Wales. The subsidiary entities have 31 July year ends, Plymouth Science Park Limited has a 31 March year end and the other investments have various year ends.

On the 12 February 2020, University of Plymouth Services Limited (UPSL) was incorporated. UPSL is a company limited by shares and incorporated in England and Wales. UPSL has been set up for the recruitment, selection, employment and supply of professional services staff to the University of Plymouth in exchange for an annual management fee. UPSL commenced trading on 1 August 2020.

On the 26 July 2021, PDSE Limited, a company limited by shares and incorporated in England and Wales, was incorporated. PDSE Limited, which commenced trading on 1 August 2021, is a 100% subsidiary of Peninsula Dental Social Enterprise CIC and has been set up to operate NHS personal dental service contracts.

17 Investments in joint ventures

The University holds a 50% share of Plymouth Science Park (PSP), a company limited by guarantee. This is a joint venture company owned equally by the University and Plymouth City Council. The arrangement is a jointly controlled entity and is accounted for using the equity method, such that 50% of the company's net assets are incorporated into the consolidated Statement of Financial Position of the University and 50% of the operating surplus or deficit is incorporated into the consolidated Statement of Comprehensive Income of the University. PSP prepares its Financial Statements to 31 March each year, and these are adjusted based upon management accounts to provide an Income and Expenditure account and Balance Sheet as at 31 July for consolidation.

Consolidated

	2021	2020
	£000	£000
Income and expenditure		
Income	878	1,156
Expenditure	(1,225)	(716)
(Deficit)/surplus before tax	(347)	440
Tax	-	-
(Deficit)/surplus after tax	(347)	440
Balance sheet		
Fixed assets	8,868	9,094
Current assets	721	829
	9,589	9,923
Creditors: amounts due within one year		
Loan due to University	(13)	-
Other creditors	(505)	(383)
Creditors: amounts due after more than one year		
Bank loans	(864)	(972)
Loan due to University	(976)	(989)
Other creditors due after more than one year	(1,113)	(1,114)
	(3,471)	(3,458)
Share of net assets	6,118	6,465

The investment properties, included within fixed assets above, were valued as at 31 March 2021 by Vickery Holman, Chartered Surveyors at market value. In 2020, due to COVID-19, this was on the basis of 'material valuation uncertainty' as per VPS3 and VPGA 10 of the RICS Red Book Global. The total market value of these properties has decreased by £0.6m during the year (2020: an increase of £0.42m); £0.3m (2020: £0.21m) of which is included in expenditure above.

The historical cost of these assets as at 31 July 2021, net of assistance grants, amounted to £34m (2020: £34m).

The final instalment on the bank loan, on which interest is being charged at 1.2% above the Bank of England base rate, is due on 31 March 2029. Fixed charges over certain land and buildings and a floating charge over all other assets have been granted as security against this loan.

During 2015/16 and 2016/17 a total loan of £1.98m was made by the University to Plymouth Science Park to part fund the expansion of the Science Park. The repayment term was varied in 2018/19 so that full repayment is due by 2041.

Other creditors due after more than one year includes 50% of a total loan of £1.96m, made by Plymouth City Council, on which full repayment is due by 2046.

As at 31 March 2021 the University's share of Plymouth Science Park's capital commitments were £3.1m (31 March 2020: £2.57m).

18 Debtors

	Consolidated		University	
	2021	2020	2021	2020
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade debtors	12,325	7,605	9,985	6,196
Amount due from subsidiary undertakings	-	-	4,704	3,198
Other debtors	351	417	1	18
Prepayments and accrued income	11,752	12,659	10,184	12,100
Loan due from joint undertaking	25	-	25	-
Total	24,453	20,681	24,899	21,512
Amounts falling due after more than one year:				
Prepayments and accrued income	2,264	1,544	2,264	1,544
Loan due from joint undertaking	1,953	1,978	1,953	1,978
Total	4,217	3,522	4,217	3,522
Total debtors	28,670	24,203	29,116	25,034

Included in trade debtors is a student bad debt provision of £2,661,650 (2020: £2,570,450) and a commercial bad debt provision of £2,397,134 (2020: £2,152,575).

The loan due from joint undertakings is with PSP. The loan will be repaid in instalments between 2021 and 2041. The interest on this loan is fixed at 5% and is settled as incurred.

Balances due from subsidiary undertakings are trading balances repayable on demand and are non-interest bearing.

19 Investments

	Consolidated and University	
	2021	2020
	£000	£000
Term deposits	30,000	21,000
Notice accounts	10,000	7,001
Total	40,000	28,001

20 Creditors: amounts falling due within one year

	Consolidated		University	
	2021	2020	2021	2020
	£000	£000	£000	£000
Bank and other loans	1,950	1,945	1,950	1,945
Obligations under finance leases	158	113	158	113
Trade creditors	2,777	3,968	2,578	3,512
Amounts owed to group undertakings	-	-	168	303
Other creditors	3,909	4,320	3,606	4,188
Taxation and social security	3,094	3,411	2,582	3,064
Accruals	15,479	14,675	14,590	14,017
Deferred income	31,690	25,597	20,998	15,381
Total	59,057	54,029	46,630	42,523

Balances due to group undertakings are trading balances repayable on demand and are non-interest bearing.

21 Creditors: amounts falling due after more than one year

	Consolidated and University	
	2021	2020
	£000	£000
Bank and other loans	31,947	31,317
Deferred income	9,285	9,609
Finance leases	19,284	19,442
Total	60,516	60,368

	Consolidated and University	
	2021	2020
	£000	£000
Bank and other loans are repayable as follows:		
In one year or less	1,950	1,945
Between one and two years	1,955	1,950
Between two and five years	8,477	5,881
In five years or more	21,515	23,486
Total	33,897	33,262

The terms of the loans are as follows:	Amount	Term	Interest rate	Security
Lender	£000			
Lloyds Bank plc	14,567	2037	5.9% (fixed)	Unsecured
HSBC Bank plc	16,470	2036	0.2% above base rate	Unsecured
Plymouth City Council*	2,580	2023	-	Unsecured
Revolving Green Fund	280	Revolving	-	Unsecured

*During 2020/21 the University entered into a loan arrangement with Plymouth City Council for the Intercity Place project. The loan is interest free and is repayable by December 2023.

22 Reconciliation of net debt

Consolidated	At 1 August 2020 £000	Cash flows £000	Non-cash changes £000	At 31 July 2021 £000
Cash and cash equivalents	107,313	7,894	-	115,207
Current investments	28,001	11,999	-	40,000
	<u>135,314</u>	<u>19,893</u>	<u>-</u>	<u>155,207</u>
Amounts falling due within one year:				
Bank and other loans	(1,945)	1,945	(1,950)	(1,950)
Obligations under finance leases	(113)	113	(158)	(158)
	<u>(2,058)</u>	<u>2,058</u>	<u>(2,108)</u>	<u>(2,108)</u>
Amounts falling due after more than one year:				
Bank and other loans	(31,317)	(2,580)	1,950	(31,947)
Obligations under finance leases	(19,442)	-	158	(19,284)
	<u>(50,759)</u>	<u>(2,580)</u>	<u>2,108</u>	<u>(51,231)</u>
Net cash	<u>82,497</u>	<u>19,371</u>	<u>-</u>	<u>101,868</u>

23 Financial instruments

	Consolidated		University	
	2021 £000	2020 £000	2021 £000	2020 £000
Financial assets that are equity instruments measured at cost less impairment:				
Fixed asset investments	200	200	37	37
Financial assets that are debt instruments measured at amortised cost:				
Cash and cash equivalents	115,207	107,313	87,185	81,133
Current investments	40,000	28,001	40,000	28,001
Trade debtors	12,325	7,605	9,985	6,196
Loan due from joint undertaking	1,978	1,978	1,978	1,978
Amounts due from subsidiary undertakings	-	-	4,704	3,200
Other debtors	350	350	-	-
Financial liabilities measured at amortised cost:				
Bank loans	33,897	33,262	33,897	33,262
Finance leases	19,442	19,555	19,442	19,555
Trade creditors	2,777	3,968	2,578	3,512
Amounts owed to subsidiary undertakings	-	-	168	303
Other creditors	13,559	13,378	12,881	12,670

24 Pension provisions

Consolidated	Enhanced pension £000	USS £000	LGPS £000	Total £000
At 1 August 2020	3,061	2,019	288,511	293,591
Current service cost	-	-	23,284	23,284
Change in expected contributions	-	68	-	68
Employer contributions	(337)	(96)	(6,894)	(7,327)
Movement (staff costs)	(337)	(28)	16,390	16,025
Interest and other finance costs (non-cash)	43	15	3,990	4,048
Actuarial gain	-	-	(4,835)	(4,835)
At 31 July 2021	2,767	2,006	304,056	308,829
University				
At 1 August 2020	3,061	2,019	287,942	293,022
Current service cost	-	-	23,263	23,263
Change in expected contributions	-	68	-	68
Employer contributions	(337)	(96)	(6,886)	(7,319)
Pension cost (non-cash)	(337)	(28)	16,377	16,012
Interest and other finance costs (non-cash)	43	15	3,983	4,041
Actuarial gain	-	-	(4,764)	(4,764)
At 31 July 2021	2,767	2,006	303,538	308,311

The enhanced pension provision is in respect of the future costs of lump sum payments and enhanced pensions payable to staff who have agreed terms for early retirement.

The USS provision relates to the University's share of the USS Pension Fund Trustees' plan to clear the funding deficit on this pension scheme. In calculating the current value of the USS provision, a discount rate equal to 0.9% (2020: 0.7%) has been used based upon a Mercer UK corporate bond yield curve.

The LGPS provision represents the University's actuarial deficit on the pension scheme as at 31 July 2021.

Further details on each of the schemes can be found in note 31.

25 Other provisions

Consolidated	Dilapidation provision £000	Other provisions £000	Total £000
At 1 August 2020	6,195	-	6,195
Utilised in year	(426)	-	(426)
Charged in year	100	335	435
At 31 July 2021	5,869	335	6,204
University			
At 1 August 2020	742	-	742
Utilised in year	(187)	-	(187)
Charged in year	-	335	335
At 31 July 2021	555	335	890

£1.3m of the dilapidation provision relates to PMSF (2020: £1.4m) and £4.0m to PDSE (2020: £4.0m). The movement on these provisions represent contributions and expenditure which is in line with a life cycle costing model appropriate to the buildings. At each financial year end, the dilapidation provision balance is reviewed against the lifecycle costing model.

The University dilapidation provision represents estimated expenditure to be incurred upon the vacation of leased properties and is based on contract terms and the condition of properties as at 31 July 2021.

Other provisions are £0.2m for insurance claims against the University and £0.1m for potential off payroll tax liabilities.

26 Endowment reserve

Consolidated and University

Restricted permanent	2021 £000	2020 £000
At 1 August		
Permanent capital	140	65
Expendable capital and accumulated income	2	-
	142	65
New endowments	-	75
Investment income	2	2
Spend in year	(2)	-
	-	77
At 31 July	142	142
Represented by:		
Capital	140	140
Expendable capital and accumulated income	2	2
	142	142

All endowments are held as cash or cash equivalents.

27 Other restricted reserves

Restricted income and expenditure reserve				2021	2020
	Bursaries, scholarships and studentships £000	Research support £000	General £000	Total donations £000	Total donations £000
Consolidated and University					
At 1 August	503	62	399	964	1,098
Receipts in year	210	74	39	323	269
Spent in year	(178)	(5)	(20)	(203)	(403)
	32	69	19	120	(134)
At 31 July	535	131	418	1,084	964
Capital reserve				2021	2020
Consolidated				£000	£000
At 1 August				5,155	5,155
Transfer to unrestricted income and expenditure reserve				(1,754)	-
At 31 July				3,401	5,155

28 Commitments

Capital commitments at the end of the financial year for which no provision has been made are as follows:

	Consolidated		University	
	2021	2020	2021	2020
	£000	£000	£000	£000
		Restated*		Restated*
Commitments contracted at 31 July	3,274	2,416	3,261	2,270

* The £0.2m decrease in the comparatives relates to non-capital commitments. The £0.3m decrease in the University also excludes capital commitments relating to PDSE.

Total commitments under non-cancellable operating leases are as follows:

			2021	2020
Consolidated	Land and buildings	Other	Total	Total
	£000	£000	£000	£000
Payable during the year	2,037	170	2,207	2,807
Future minimum operating lease payments due:				
In one year or less	2,392	170	2,562	2,214
Between two and five years	4,760	82	4,842	5,555
Over five years	7,568	-	7,568	8,315
Total	14,720	252	14,972	16,084

			2021	2020
University	Land and buildings	Other	Total	Other
	£000	£000	£000	£000
Payable during the year	1,484	170	1,654	2,089
Future minimum operating lease payments due:				
In one year or less	1,685	170	1,855	1,490
Between two and five years	1,934	82	2,016	2,729
Over five years	1,210	-	1,210	1,000
Total	4,829	252	5,081	5,219

Total commitments under non-cancellable finance leases are as follows:

Consolidated and University	2021	2020
	£000	£000
Future minimum finance lease payments due:		
In one year or less	1,533	1,496
Between two and five years	6,522	6,365
Over five years	30,870	32,561
Total	38,925	40,422

Finance lease commitments relate mainly to the Rolle Building.

29 Contingent assets and liabilities

Contingent assets

Overage arrangements for land at previous campus locations, where the University is entitled to receive a sum of money on the completion of the sale of a piece of land, provided specified condition/(s) are satisfied, may generate overage income in excess of £3.0m, subject to planning and development.

Contingent liabilities

The University of Plymouth Students' Union (UPSU), registered company number 10676070 and Charity number 1172830 is dependent on the University's financial support through the provision of a block grant with the UPSU generating supplementary funding from various trading activities. Section 22 of the Education Act 1994 requires the University to issue a code of practice that sets out the agreed arrangements between the University and the UPSU in relation to the statutory duty to take such steps that are reasonably practicable to ensure the Union operates in a fair and democratic manner and is accountable for its finances. The University therefore requires notification of any changes in the governance of UPSU and regular reports on UPSU's activities, management and financial situation. The University provides a letter of support to cover any short term liquidity issues during the 12 month period following the signing the UPSU Financial Statements.

30 Related party transactions

Due to the nature of the University's operations and the composition of the Board of Governors 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 the Board of Governors, University Executive or senior leadership may have an interest are conducted at arm's length and in accordance with the University's financial regulations.

The University has invoked applicable exemptions under section 33 of FRS 102 for "100%" or "wholly" owned subsidiaries and not disclosed intra-group transactions.

These Financial Statements reflect the following transactions with related parties:

Name	Nature of interest	Detail	2021		2020	
			Income/ (expense) £000	Amount due to/ (from) £000	Income/ (expense) £000	Amount due to/ (from) £000
Abbie Limited	Executive Dean receives grants and personal fees	Income for staff conference attendance	3	-	3	-
Amprologix Limited	Non-current investment	Consultancy and contract income	18	-	12	-

Notes to the Financial Statements

Name	Nature of interest	Detail	2021		2020	
			Income/ (expense)	Amount due to/ (from)	Income/ (expense)	Amount due to/ (from)
			£000	£000	£000	£000
Arca (Plymouth) Limited (The Box)	Deputy Vice-Chancellor is a Board Member	Business rates	(2)	1	-	-
Argans Limited	Non-current investment	Studentship income	4	-	6	-
Bibby Factors Yorkshire Limited	Governor is a Director of the parent company	Supplier payment via invoice factoring arrangement	(11)	-	-	-
Biovault Scientific Limited	Non-current investment	Research collaboration	5	-	5	-
Creative Connected Communities (T/A Well Connected)	Subsidiary Director was a Trustee until March 2019	Pay recharges and payments for services	-	-	(251)	-
Dental Schools Council	Senior Manager and Subsidiary Director is Chair	Subscription	(9)	-	-	-
Destination Plymouth Limited	Vice-Chancellor and CEO attends board meetings	Advertising and marketing	(60)	-	(67)	-
Devon and Plymouth Chamber of Commerce	Previous Subsidiary Director is a Director	Subscriptions, advertising and hospitality	-	-	(14)	-
Fieldwork Robotics Limited	Non-current investment	Patent income	37	(7)	-	-
General Dental Council	Subsidiary Director is a Registration Assessment Panel Member	Research income and review of dental training	139	(79)	21	-
Health Education England	Subsidiary Director is Dean	Contract income, research income and pay recharges	11,770	(1,792)	10,339	(737)
Heart of the South West LEP	Vice-Chancellor and CEO is a Director	Contract income, consultancy income and subscription fee	(27)	(109)	247	10
Higher Education Statistics Agency	Governor is Chair of Data Landscaping Steering Group	Subscription	(97)	-	(133)	53
James Square Plymouth Limited	Previous Finance Director was a Director, unconsolidated undertaking of the University	Rent and scholarship award	(1,534)	-	(1,429)	-
King's College London	Executive Dean is a Visiting Professor	Research income and collaboration payments	(8)	-	-	-

Name	Nature of interest	Detail	2021		2020	
			Income/ (expense) £000	Amount due to/ (from) £000	Income/ (expense) £000	Amount due to/ (from) £000
Marine Biological Association	Vice-Chancellor and CEO is a Trustee	Pay recharges, research and contract income, participant payments and subscription	140	(13)	137	(17)
Medical Schools Council	Executive Dean is on the Executive Committee	Subscription	(15)	-	-	-
Molendotech Limited	Non-current investment	Rental income	13	(4)	30	(3)
NHS England	Subsidiary Directors are the Chief Dental Officer and a Commissioner	Pay recharges	351	(1)	168	(2)
Nottingham Trent University	Governor is an Honorary Professor	Participant payments	(20)	-	-	-
Plymouth Science Park Limited	Joint venture	Loan, interest income, rent and premises costs	(135)	(1,978)	(55)	(1,978)
Public Health England	Subsidiary Director is an honorary contract holder	Contract income and pay recharges	(2)	(26)	354	(19)
Pungo Ltd	Governor is a Director and minority shareholder	R&D Solutions Fund payment	(6)	0.3	-	-
Pulsiv Limited	Non-current investment	Pay recharges	-	(43)	73	(87)
Quality Assurance Agency for Higher Education	Governor is Chair of the Board of Directors	Subscription	(44)	18	(11)	-
Royal College of Nursing Research Society	Previous Interim Executive Dean is a Committee Member	Subscription	-	-	(2)	-
Royal Cornwall Hospitals NHS Trust	Senior Manager is an honorary contract holder	Short course and catering income, services charges and premises costs	-	-	(502)	79
Royal Devon and Exeter NHS Foundation Trust	Previous Chief Financial Officer is a Non-Executive Director	Research, tuition and contract income and educational visit costs	265	-	156	-
Seale Hayne Educational Trust	Deputy Vice-Chancellor is a Trustee	Grant income and administration income	50	-	56	-
Society of College, National and University Libraries (SCONUL)	Senior Manager is Vice-Chair of the Board	Subscription	-	-	(3)	-
Sodexo Trustee Services Limited	Governor is a Trustee	Subscription	(31)	-	(26)	-

Notes to the Financial Statements

Name	Nature of interest	Detail	Income/ (expense)	2021 Amount due to/ (from)	Income/ (expense)	2020 Amount due to/ (from)
			£000	£000	£000	£000
South West Academic Health Science Network	Previous Interim Executive Dean is a Non-Executive Director	Research income	-	-	1	-
South West Institute of Technology	Deputy Vice-Chancellor is a Director	Participant payments	(4)	-	(4)	-
Somerset NHS Foundation Trust	Chair of Governors and Executive Dean are Non-Executive Directors	Capital contribution, pay recharges	(994)	-	37	-
The Vaccine Group Limited	Non-current investment	Rental income, pay recharges and grant income	76	-	128	(12)
The Water Conservation Trust	Chair of Governors is a Trustee	Provision of bursaries	-	-	5	-
Universities UK	Vice-Chancellor and CEO is a member of the Audit and Risk Committee	Membership fees and staff development	(79)	39	(1)	-
University Hospitals Bristol NHS Foundation Trust	Subsidiary Director is the Deputy Medical Director	Grant income and pay recharges	2	-	1	1
University Hospitals Plymouth NHS Trust	Senior Manager and Subsidiary Directors are Non-Executive Director, Associate Director and Employee	Research and contract income, pay recharges and rental income	529	(793)	747	(369)
University of Manchester	Governor is an Honorary Professor	Research income, participant payments	(325)	14	(271)	-
University of Plymouth Students' Union (UPSU)	Governors are President/Vice-President and Chair/Trustee of the Trustee Board	Block grant payment and rental income	(1,716)	(633)	(2,560)	-
University of Sussex	Executive Dean is a Visiting Professor	Consultancy	45	-	-	-
Vertical Plus Limited	Non-current investment	Participant payments, IT services, subscriptions	(3)	-	(1)	-

31 Pensions

The University participates in seven pension schemes, the Devon County Council Pension Fund (DCC), The Teachers' Pension Scheme (TPS), the Universities Superannuation Scheme (USS), The National Health Service Pension Scheme (NHS) and three Defined Contributions Schemes.

The total pension cost was:

	2021	2020
	£000	£000
Contributions to DCC and accrued service cost	23,045	17,122
Contributions to TPS	9,345	8,964
Contributions to USS and movement on past service cost	992	(804)
Contributions to NHS	548	451
Contributions to subsidiary defined contribution schemes	311	169
Total pension cost (note 8)	34,241	25,902

The above excludes pension costs which have been capitalised of £0.1m (2019/20: £0.1m) and the LGPS and USS pension interest cost of £4.0m (2019/20: £3.8m).

LGPS – Devon County Council Pension Fund

The University participates in the LGPS, a defined benefit statutory scheme providing benefits based on career average revalued earnings and administered in accordance with LGPS regulations 2013. The average number of active members participating in the scheme during the year was 1,605 (2020: 1,621). The most recent published valuation was carried out as part of the triennial actuarial valuations as at 31 March 2019, and has been updated by independent actuaries to the Devon County Council Pension Fund (the Fund) to take account of the requirements of Section 28 of FRS 102 in order to assess the liabilities of the Fund as at 31 July 2021. Liabilities are valued on an actuarial basis using the projected unit method which assesses the future liabilities discounted to their present value.

In the year ended 31 July 2019, the University paid £0.3m deficit contributions, £0.1m of which relates to the year ended 31 July 2021. £0.1m relates the years ending 31 July 2022 and 2023 respectively.

On 13 May 2021, the government issued a ministerial statement on the proposed remedy to be applied to LGPS benefits in response to the McCloud and Sargeant cases. There is not considered to be a material difference between this and the £0.9m past service cost included in the year ended 31 July 2019 and reflected in valuations since this date.

The contribution rates for the University and its subsidiaries are as follows:	01/04/21– 31/03/22	01/04/20– 31/03/21	01/04/19– 31/03/20
	%	%	%
University of Plymouth	15.1	15.1	13.0
UCSP	20.3	20.3	16.1
PDSE	19.4	19.4	15.6

The major assumptions used in this valuation were:	31 July 2021	31 July 2020	31 July 2019
	%pa	%pa	%pa
Discount rate	1.6	1.4	2.2
Longer-term rate of increase in salaries	3.8–3.9	3.2	3.4
Rate of increase in pensions	2.8–2.9	2.2	2.4
Rate of CPI increase	2.8–2.9	2.2	2.4

The current mortality assumptions have been projected to allow for observed and possible future improvements in longevity. The assumed life expectations on retirement at age 65 are:

	31 July 2021	31 July 2020
Retiring today		
Males	23.0	22.9
Females	24.2	24.1
Retiring in 20 years		
Males	24.3	24.3
Females	25.6	25.5

LGPS – Devon County Council Pension Fund

Scheme assets

The return on the fund (on a bid value to bid value basis) for the year to 31 July 2021 is estimated to be 18.96% (2020: -3.00%); however the annual return on fund assets over the year may be different. Based on the above the employer's share of the assets is approximately 6.04% for the University and approximately 0.01% for PDSE.

The fair value of the scheme assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	31 July 2021		Consolidated 31 July 2020		31 July 2021		University 31 July 2020	
	£m	%	£m	%	£m	%	£m	%
Gilts	42.8	13.3	10.1	3.7	42.6	13.2	10.1	3.8
UK equities	33.0	10.2	34.2	12.6	32.9	10.2	34.1	12.6
Overseas equities	169.5	52.5	125.3	46.3	169.2	52.6	125.0	46.3
Property	25.4	7.9	22.0	8.1	25.4	7.9	22.0	8.2
Infrastructure	12.0	3.7	11.4	4.2	11.9	3.7	11.4	4.2
Target return portfolio	30.8	9.5	34.5	12.7	30.7	9.5	34.4	12.7
Cash	3.1	1.0	3.1	1.2	3.1	1.0	3.0	1.1
Other bonds	6.2	1.9	12.9	4.8	6.2	1.9	12.8	4.7
Alternative assets	-	-	17.3	6.4	-	-	17.3	6.4
	322.8	100.0	270.8	100.0	322.0	100.0	270.1	100.0

Consolidated	31 July 2021	31 July 2020	31 July 2019	31 July 2018	31 July 2017
	£m	£m	£m	£m	£m
Fair value of scheme assets	322.8	270.8	282.9	260.0	240.3
Present value of funded liability	(626.8)	(559.3)	(458.0)	(411.4)	(415.9)
Net liability of the fund	(304.0)	(288.5)	(175.1)	(151.4)	(175.6)
University	31 July 2021	31 July 2020	31 July 2019	31 July 2018	31 July 2017
	£m	£m	£m	£m	£m
Fair value of scheme assets	322.0	270.1	282.2	259.3	239.6
Present value of funded liability	(625.6)	(558.1)	(456.9)	(410.4)	(414.7)
Net liability of the fund	(303.6)	(288.0)	(174.7)	(151.1)	(175.1)

The scheme actuary employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The overall expected rate of return on assets is then derived by aggregating the expected rate of return for each asset class over the actual asset allocation for the fund as at 31 July 2021.

LGPS – Devon County Council Pension Fund

Asset and liability reconciliation

	Consolidated		University	
	2021	2020	2021	2020
	£m	£m	£m	£m
Reconciliation of liabilities				
Liabilities at start of year	559.3	458.0	558.1	456.9
Current service cost	22.8	16.9	22.8	16.9
Interest cost	7.8	9.8	7.8	9.8
Employee contributions	2.9	2.9	2.9	2.9
Change in financial assumptions	54.1	74.3	54.1	74.2
Change in demographic assumptions	(1.3)	(9.3)	(1.3)	(9.3)
Experience loss on defined benefit obligation	(10.1)	15.2	(10.1)	15.2
Benefits paid	(9.0)	(8.5)	(9.0)	(8.5)
Past service cost including curtailments	0.3	-	0.3	-
Defined benefit liabilities at end of year	626.8	559.3	625.6	558.1

	Consolidated		University	
	2021	2020	2021	2020
	£m	£m	£m	£m
Reconciliation of assets				
Assets at start of year	270.8	282.9	270.1	282.2
Interest on assets	3.8	6.1	3.8	6.1
Return on assets less interest	47.6	(15.5)	47.5	(15.5)
Other actuarial losses	-	(3.4)	-	(3.4)
Administration expenses	(0.2)	(0.2)	(0.2)	(0.2)
Employer contributions	6.9	6.5	6.9	6.5
Employee contributions	2.9	2.9	2.9	2.9
Benefits paid	(9.0)	(8.5)	(9.0)	(8.5)
Fair value of scheme assets at end of year	322.8	270.8	322.0	270.1

Teachers' Pension Scheme (TPS)

The Teachers' Pension Scheme (TPS) is a contracted out, unfunded, defined benefit pay-as-you-go occupational pension scheme operated by the Department for Education (DfE) and is governed by statutory regulations. The current regulations are the Teachers' Pensions Regulations. Membership of the scheme is voluntary and is open to members of the teaching profession in England and Wales who satisfy the membership criteria. Contributions to the scheme by employers and employees are set at rates determined by the Scheme's Actuary and approved by the DfE.

The average number of active members participating in the scheme during the year was 950 (2020: 909). The contribution rate payable by the University during 2020/21 was 23.6% of pensionable salaries (2020: 16.4% to 31 August 2019 and 23.6% from 1 September 2019).

The Government Actuary's Department reviews the cost of the unfunded public service pension schemes (including the TPS) every 4 years. The current actuarial valuation as at 31 March 2016 was published in March 2019. This included an increase in employer contribution rates from 16.4% to 23.6% from 1 September 2019, which will be effective to 31 March 2023. Key highlights from this report are as follows:

Funding position	As at 31 March 2016 (£bn)	As at 31 March 2012 (£bn)
Aggregate scheme liabilities	218.1	191.5
Aggregate scheme assets	196.1	176.5
Shortfall	(22.0)	(15.0)

Universities Superannuation Scheme (USS)

The average number of active members participating in this scheme during the year was 78 (2020: 76). The contribution rate payable by the University during 2020/21 was 21.1% of pensionable salaries (2020: 19.5% to 30 September 2019 and 21.1% from 1 October 2019).

The total amount recognised in the Consolidated Statement of Comprehensive Income is a cost of £1.0m. In 2020, a net credit of £0.8m was recognised, which represented a cost of £1.0m offset by a £1.8m reduction in the USS pension provision.

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. The March 2020 valuation has been signed and filed with The Pensions Regulator with an effective date of 1 October 2021. Further details are included in note 32 - Events after the reporting period. The pension provision as at 31 July 2021 reflects the deficit recovery plan put in place as part of the 2018 valuation, which required payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 followed by 6%, until 31 March 2028.

Since the institution 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 £63.7bn and the value of the scheme’s technical provisions was £67.3bn indicating a shortfall of £3.6bn 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 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

2018 valuation	
Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females Post retirement: 97.6% of SAPS S1NMA “light” for males and 102.7% 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

The current life expectancies on retirement at age 65 are:

	2021	2020
Males currently aged 65 years	24.6	24.4
Females currently aged 65 years	26.1	25.9
Males currently aged 45 years	26.6	26.3
Females currently aged 45 years	27.9	27.7

The liability figures have been produced using the following assumptions:

	2021	2020
Discount rate	0.87%	0.73%
Pensionable salary growth	1.75% – 3%	1.5% – 3%

The two NHS defined unfunded benefit schemes cover NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The schemes are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities and the schemes are therefore accounted for as if they were defined contribution schemes. The cost to the NHS body participating in the schemes is taken as equal to the contributions payable to the schemes for the accounting period.

The average number of active members participating in the scheme during the year was 105 (2020: 99), including 18 (2020: 20) PDSE employees. The schemes are subject to a full actuarial valuation every four years and the current actuarial valuation as at 31 March 2016 was published in February 2019. This included an increase in employer contribution rates from 14.3% to 20.6% for the period 1 April 2019 for 31 March 2023. The contribution rate payable by the University during 2020/21 was 16.1% of pensionable salaries (2019/20: 16.1%), as 4.5% of the 6.3% increase is being funded by the Department of Health and Social Care. The total increase of 6.3% is being funded in respect of PDSE. The transactional period under which the Department of Health and Social Care is meeting the additional 4.5%/6.3% has been extended until 31 March 2022, whereupon the rate will increase to 20.6%.

The scheme valuations are as follows:

Funding position

	As at 31 March 2016 (£bn)	As at 31 March 2012 (£bn)
Aggregate scheme liabilities	297.5	240.4
Aggregate scheme assets	278.1	230.1
Shortfall	(19.4)	(10.3)

Defined contribution schemes

The University group operates three defined contribution pension schemes for employees of its subsidiary undertakings: a Scottish Widows scheme for employees of PDSE CIC; an Aviva scheme for employees of UCSP and UPEL; and from 1 August 2020 a Legal & General scheme for employees of UPSL.

Entity	Scheme	Contribution rate 2021	Average number of active members 2021	Contributions 2021	Contributions 2020
PDSE	Scottish Widows	8.0%	70	111.0	85.4
UCSP	Aviva	5.0%	49	40.9	47.8
UPEL	Aviva	5.0%	25	29.4	35.7
UPSL	Legal & General	11.0%	78	261.7	-

32 Events after the reporting period

A new USS Schedule of Contributions (SOC) based on the 2020 valuation is subject to consultation and agreement to benefit changes. The interim agreed rate from October 2021 is 21.4%, a reduction of 2.3% expected from the 2018 valuation. If agreed this rate will continue until the next valuation and include 6.3% of deficit recovery contributions from April 2022. This results in an increase of £3.8m in the USS provision, from £2.1m to £5.9m, and represents the obligation to fund the deficit.

Should the benefit change agreement not be met then rates would be subject to increases every 6 months from 1 October 2022, rising to 38.2% from 1 October 2025 to 31 July 2032. This would result in an increase of £7.3m in the USS provision, from £2.1m to £9.4m. Whilst USS is a multi-employer scheme and full actuarial accounting is not required, the University is required to recognise a liability for its commitment under the scheme's deficit funding plan.

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