



Annual Accounts

2020-2021





CONTENTS

Chancellor, Board of Governors and committees Executive Board and professional advisers	2
Chair's introduction to the annual accounts 2020-21	6
Operating and financial review 2020-21	8
Statement on corporate governance	48
Independent auditor's report to the Board of Governors of De Montfort University	54
Statement of principal accounting policies	60
Consolidated and corporation statement of comprehensive income and expenditure	68
Consolidated and corporation statement of changes in reserves	69
Consolidated and corporation statement of financial position	70
Consolidated statement of cash flows	71
Notes to the accounts	72

CHANCELLOR, BOARD OF GOVERNORS & COMMITTEES, EXECUTIVE BOARD & PROFESSIONAL ADVISERS

CHANCELLOR

Active recruitment underway as at the time of completion

Position vacant as of January 2020

BOARD OF GOVERNORS

Mr Ian Squires BA (Hons) (Chair of the Board)
Ms Dianne Buchanan MA (Hons), ACA
Ms Lisa Capper MBE, BA, MA
Ms Catherine Clarke BA (Hons)
Mr Phil Clarke BA (Hons), CIMA

Appointed August 2020

Appointed August 2020

Professor Fiona Cownie FAcSS, FRSA, PFHEA (Deputy Chair of the Board)
Mr Rob Hull MA, PhD
Ms Mehrunnisa Lalani MA, JNC
Ms Sharon Manikon-Deane BSc (Hons)

Appointed August 2020

Appointed August 2020 and stepped down March 2021

Appointed November 2020

Ms Sara Pierson BA (Hons), MBA
Mrs Jasvinder Sanghera BA (Hons), CBE
Ms Beverley Shears BA, MA, CNA, CIPD

Stepped down November 2020

Appointed August 2020

Mr Peter Tansley BA (Hons), CGMA, CIMA, CMIIA
Mr Daniel Toner BA (Hons)

REPRESENTATIVE GOVERNORS

Mr Jon Lees BA (Hons) PgCert MBA
Mr Paul McNicoll MA ACMI
Ms Diya Rattanpal (DSU Equality and Diversity Executive)
Ms Aashni Sawjani (Opportunities and Engagement Executive Officer)
Dr Richard Snape MA (Cantab) MEng PhD

Term ended November 2020

Term ended June 2021

Appointed July 2021

EX-OFFICIO GOVERNOR – CHIEF EXECUTIVE AND VICE-CHANCELLOR

Professor Andy Collop BEng, PhD, DSc
Professor Katie Normington BA (Hons), MA, PhD

Vacated role December 2020

Appointed January 2021

CLERK TO THE BOARD OF GOVERNORS

Ms Lynn Robinson

Appointed July 2021

COMMITTEES OF THE BOARD

Audit Committee

Mr Peter Tansley (Chair)

Ms Lisa Capper

Professor Fiona Cownie

Mr Rob Hull

Ms Sharon Manikon-Deane

Ethics Committee – on hiatus

Chair vacant

Professor Andy Collop (ex-officio) (until December 2020)

Professor David Mba

Professor Katie Normington (ex-officio) (from January 2021)

Ms Sara Pierson

Ms Diya Rattanpal (until June 2021)

Mr Daniel Toner

Finance and Performance Committee

Mr Daniel Toner (Chair)

Ms Dianne Buchanan

Ms Catherine Clarke

Mr Phil Clarke

Professor Andy Collop (ex-officio) (until December 2020)

Professor Katie Normington (ex-officio) (from January 2021)

Mr Ian Squires

Nominations Committee

Mr Ian Squires (Chair)

Mr Phil Clarke

Mr Rob Hull

Professor Andy Collop (ex-officio) (until December 2020)

Mr Paul McNicoll (until November 2020)

Professor Katie Normington (ex-officio) (from January 2021)

Ms Diya Rattanpal (until June 2021)

Dr Richard Snape

People and Culture Committee

Ms Beverley Shears (Chair)

Professor Andy Collop (ex-officio) (until December 2020)

Professor Katie Normington (ex-officio) (from January 2021)

Mr Ian Squires

Ms Sara Pierson

Remuneration Committee

Professor Fiona Cownie (Chair)

Ms Dianne Buchannan

Ms Catherine Clarke

Ms Beverley Shears

Mr Ian Squires

UNIVERSITY LEADERSHIP BOARD

Professor Katie Normington (Chief Executive and Vice-Chancellor) BA (Hons), MA, PhD	<i>Appointed January 2021</i>
Professor Andy Collop (Deputy Vice-Chancellor; Interim Vice-Chancellor and Chief Executive until December 2020) BEng, PhD, DSc,	
Dr Simon Oldroyd (Pro Vice-Chancellor/Dean Health and Life Sciences, Interim Deputy Vice-Chancellor until December 2020) BSc (Hons), PhD, FIBMS	
Mr Ben Browne (Chief Operating Officer) MA (HRM), FCIPD	<i>Left July 2021</i>
Professor Jackie Labbe (Pro Vice-Chancellor Academic) BA (Hons), MA, PhD, FRSA	<i>Left May 2021</i>
Mr Simon Bradbury (Pro Vice-Chancellor International and Dean of Arts, Design and Humanities) MA (Cantab), DipArch, RIBA, ARB, FHEA	
Ms Kaushika Patel (Deputy Pro Vice-Chancellor Equality, Diversity, and Inclusion and Deputy Dean of Health and Life Sciences) BA, MA, CQSW	<i>Joined January 2021</i>
Professor Heather McLaughlin (Pro Vice-Chancellor Community and Civic Engagement and Dean of Business and Law) BA, MSc, PhD, FCA, CMgr, FCMI, SFHEA, CMBE	
Professor Shushma Patel (Pro Vice-Chancellor/Dean Computing, Engineering and Media) BSc (H) PhD FBCS, CITP, PFHEA, NTF	<i>Joined November 2020</i>
Professor David Mba (Pro Vice-Chancellor Research and Enterprise) PFHEA, FBINDT, FISEAM	<i>Left September 2021</i>
Mrs Jo Cooke (Executive Director of Student and Academic Services) BA (Hons)	
Dr Peter Cross (Chief Finance Officer) MAAT, FCPFA, MScPSM, DBA	
Ms Janine Brennan (Executive Director of People and Organisational Development)	
Mrs Mel Fowler (Executive Director of Marketing and Communications) BSc (Hons), MA	<i>Returned from maternity leave February 2021</i>
Dr Philip Pothén (Acting Executive Director of Marketing and Communications) BA (Hons) MA MCIPR PGCTHE DPhil	<i>Left February 2021</i>
Mr Sam Weston (Secretary/Clerk to the Board of Governors) BA (Hons)	<i>Until July 2021</i>

PROFESSIONAL ADVISERS TO THE CORPORATION

Auditors

External Auditors: BDO LLP, Birmingham	<i>Appointed June 2021</i>
Internal Auditors: PricewaterhouseCoopers LLP, Birmingham	

Bankers

National Westminster Bank plc.



DMU'S ANNUAL REPORT

INTRODUCTION 2020-2021

While we all hoped it would not happen, we feared that it would and those fears were realised only weeks into the academic year last October when a further Covid lockdown was announced and we and all around us steadied ourselves for a grim winter in prospect.

For our staff and students it made for another difficult and demanding year. Our blended and 'hybrid' working – well-established in the previous spring and summer – continued and we settled into the 'New World of Work' with a calm and efficient approach to delivering courses and preserving as much as possible of the full DMU experience.

But as the pandemic battle raged and the dark nights encroached, there were good reasons for optimism around the university. While the landscape around us was often bleak we could see a clear horizon ahead of us.

To begin with, our new Vice-Chancellor, Professor Katie Normington, took up her post in January 2021 and very quickly we were underway with a consultation on a new strategy for De Montfort. The process included not only our own staff and students but also a wide range of external bodies and institutions in and around us in the city and county as well, of course, as our board of governors. The consultation did not present a finished product. Far from it. This exercise set out very directly to ask what ought to be in our strategy. What do you want, expect and hope for?

While the values we hold at DMU are eternal, the means by which we deliver on our mission and vision must change to meet the ever-shifting challenges of the times in which we live and work. The strategy sees De Montfort as 'The Empowering University' with Learning for Life, Knowledge Creation, Empowering People, Partnerships with Purpose and Equality for All being the key pillars, all underpinned by sustainability, digital transformation and financial strength and security. The board of governors agreed the principles of the new strategy in the summer of this year and the detailed work now continues to fully flesh out the implementation.

Efforts continue to strengthen our board of governors adding new and greater ranges of skills to support the re-structured senior management of the university. We also hope to announce a new Chancellor later in the year.

As our new strategy recognises, financial strength is essential for any university if it is to survive the waves of events and circumstances that engulf the sector from time to time. The university management had put in place last year a very strong financial recovery plan to cope with the seriously adverse impacts of the pandemic and that plan has held firm in spite of the prolonged lockdown. I am pleased to say that De Montfort University continues to be financially sound as our year end accounts demonstrate.

As we head into the new academic year, 2021-2022 there is optimism for the future but it is tinged with reality. The horizon to which I referred above is visible but there are clouds gathering upon it. There are multiple and very serious challenges facing the Higher Education sector and DMU will not be shielded from any of them. We will need to address all of them beginning with shortfalls in undergraduate recruitment both from home and abroad.

A number of factors have contributed to the recruitment challenge (faced not only by DMU but by many universities). Brexit means that students from mainland Europe can no longer access UK student loans; centre assessed A Levels resulted in more students achieving their first choice universities with, therefore, reduced numbers going through the clearing process – the lowest numbers for a decade. And while we have seen an increase in applications from some overseas sectors and for postgraduates courses there will – overall – be an adverse financial impact to be addressed within the recovery plan.

However, to attract candidates we have to show that we are here to serve students and to provide a fulfilling and worthwhile experience. Our showing in the National Student Survey and in the Survey of Graduate Outcomes need improvement and detailed work is underway to address both of these. Alongside that work is a new initiative – 'Education 2030' – which will be the

first overhaul and modernisation of our timetable and approach to course delivery for more than a decade. It is vital to the success of our mission to provide first class opportunities for our students.

While we can add to all of those challenges the increasing cost of pension provision, increases in National Insurance payments, the growing threat of inflation, the never-ending need to continue investment not only in the fabric of the campus but also in our strategic priorities, we must ready ourselves for the outcomes of the White Paper Review, announced in late November. At the time of compiling these reports and accounts we cannot be sure but we, like others, could be faced with controls on student numbers, reductions in fees with support for certain courses also being reduced. While the new strategy is designed to address and overcome the challenges, of itself it will not succeed unless we transform the way we work. We will need to make choices – some of them difficult, no doubt – about where to devote resources to ensure we preserve the essence of this university and secure its place in the future.

However, we are a resilient and optimistic community. Young people the world over want to study at De Montfort. Interest from students in China and South East Asia remains strong. Our transnational education programme, in which we take DMU courses and expertise to campuses abroad, is expanding. Interest from potential home post-graduate students is growing and we have just had one of our busiest Open Days with more than a thousand prospective students on campus and clearly very enthusiastic about what DMU has to offer.

In her inaugural lecture, the Vice-Chancellor, asked how we shift perceptions of universities and what they mean. How do we demonstrate their real value? And she did, with multiple examples of ways in which universities have made differences to individuals and to society as a whole. She took her audience back to our roots and showed a 1920s prospectus for De Montfort University's predecessor, the City of Leicester School of Arts & Crafts. Its front page was an engraving of what we now know as the Hawthorn Building. Above the main entrance was

the legend, 'the Gate of Opportunity.' It was as true for its students then as it is now for DMU's. But now it could mean even more for our university today. As we confront the challenges head on and forge our way through, the next year could be De Montfort's 'Gate of Opportunity' to begin our transformation to The Empowering University the strategy proclaims. There is much to be done but the Board of Governors and the management team alongside the Vice-Chancellor are solidly committed to completing that transformation.

Ian Squires

Chair of Governors, De Montfort University

OPERATING AND FINANCIAL REVIEW 2020-21

THE UNIVERSITY'S STATEMENT OF PUBLIC BENEFIT

DMU is an exempt charity by virtue of Schedule 3 of the Charities Act 2011 and, as such, is regulated by the Office for Students. The university's objectives, as defined in the Education Reform Act 1988, are to 'provide higher education', to 'provide further education' and to 'carry out research and to publish the results of that research' for the public benefit.

Members of the university's Board of Governors serve as trustees and are responsible for determining the educational character and mission of the university, overseeing and scrutinising its activities.

We consider the beneficiaries of our charitable status to be all students, both undergraduate and postgraduate, as well as members of the public in the UK and overseas. We believe universities are a public good and that DMU transforms lives by providing inspiring environments for its students and staff, while sharing their discoveries to benefit the world.

Due to the pandemic, those at DMU have studied through one of the most testing times in the university's 150-year history, and in ways none of their predecessors have. The challenges of recent months are traceable in new ideas about our collective future, now beginning to be explored and developed— a signal of our confidence in DMU as a living, nurturing and learning community that is inclusive and flexible.

Embodying that confidence is new Vice-Chancellor Professor Katie Normington, who took charge in January 2021 and began her leadership by sharing the things that had drawn her to DMU: its strong reputation for delivering transformational education; its commitment to diversity and sustainability; research which benefits the society around us, and the university's relationship to the city – Professor Normington praised above all DMU's 'verve and energy'.

The vice-chancellor's inaugural lecture, 'The Invisibility of the Real University: How can we reset public perception of the usefulness of higher education?', would some months later explore ways to create better understanding of universities and their value and meaning

to society. Here, the vice-chancellor touched on research breakthroughs including the Oxford's Covid vaccine – and DMU professor Katie Laird's important work on how Covid is transmitted through medical materials and work clothing – and on universities' influence in culture, sport, the environment, and even in creating friendships and support networks. To bring this work more clearly into focus, Professor Normington said universities needed to empower their staff and students.

The vice-chancellor's first few months had been spent listening to staff and students to understand more about DMU, experience and insight used as a starting point for consultation on a new strategy to take the university forward and ensure it continues to meet people's real needs in the decades ahead. These exchanges have led today to an ambition to make DMU 'The Empowering University' – one that empowers students and staff to create a fairer society; a community of participation, fairness and collective responsibility, transforming individual lives and championing a fair and sustainable society; one where we support each other, value difference, are honest and compassionate, breaking down barriers and re-imagining new horizons.

One of the themes feeding into the consultation was 'our future learning'. During the past year and a half, DMU has had to face the challenge of moving between modes to support students' learning in a blended environment. Staff have responded positively to this unprecedented situation and showed what is possible – including reframing challenge as opportunity.

The project, Education 2030, is now considering how DMU delivers teaching and learning in the future, responding to a genuine desire for flexibility at the heart of the university experience. The ideas underpinning Education 2030 are about developing a framework that is student-centred and future-proofed; programme design should be as simple and standardised as possible to deliver teaching which is agile, creative and dynamic in an increasingly competitive environment.

In that environment, our students and graduates continue to strike out, achieve, inspire and impress, even in adverse

circumstances. Among the many success stories we have celebrated recently are Journalism graduate Liam Coleman, covering the biggest national stories alongside some of the UK's best journalists after landing his dream job as a reporter for The Sun; Mental Health Nursing student Rebecca Hackfath, who was inspired to help others after receiving life-saving treatment and secured a job in the NHS in Leicester before graduating; graduate Simon Sansome, named in a 'Power 100' list of the most influential disability campaigners in the UK; and Harsh Shah – who graduated from DMU with a Master's in Business Intelligence and Data-mining – and is now a Knowledge Transfer Associate with East Midlands Chamber, and creating a regional business intelligence unit that aims to bring more investment to the region.

Law student Jem Leveridge undertook work to explain the tensions between the police and some communities – and find solutions – supported by a DMU Stephen Lawrence Professional Scholarship. Fashion Design graduate Sophie Kempner's love of running inspired her to launch a new sportswear brand Maratona, offering affordable, comfortable and sustainable kit. Audio and Recording Technology graduate Luigi Platania began working as a sound designer at Dovetail Games, a British video game developer specialising in simulation experiences, just months after graduating. Marketing graduate Humraj Dosanjh secured an in-demand place as a Marketing Excellence Graduate with Bayer, a multinational pharmaceutical company, while History and Education Studies graduate Emily Folorunsho – now head of history at London's Barking Abbey School – is creating a curriculum there that makes black, Asian and minority ethnic students feel 'seen'; Decolonising DMU is our project to ensure there is no racial disparity in our institution.

Many of the personal achievements we have shared are not unconnected with DMU's continued focus on employability. Our careers and employability service was named as the best in a UK university at the National Undergraduate Employability Awards 2021. The awards celebrate innovation and 'going the extra mile' for students.

During the pandemic, the DMU Works careers service delivered additional virtual support, launched a careers live chat, increased e-guidance and offered a new CV-checking tool. DMU was named in the top three for both Graduate Outcomes and Excellence in Digital Innovation in this year's Whatuni Student Choice Awards, and our work to help students gain job confidence has won in the Outstanding Support for Students category of the prestigious Times Higher Education Awards. Initiatives like our Leicester1000 are designed to place graduates in highly skilled jobs and connect them with upwards of 200 employers across the city.

The National Cyber Security Centre – a leading authority in that field – has named DMU a gold standard Academic Centre of Excellence in Cyber Security Education, a first in the East Midlands, while DMU Teacher Fellow Julia Reeve's approach to teaching and work across the university – engaging undergraduate students, doctoral researchers and staff teams in playful and creative learning – has secured her a prestigious National Teaching Fellowship; Julia becomes one of a number of National Teacher Fellows at DMU.

Those graduating belatedly this year and next will be reassured that quality teaching is a factor adding to the strength and value of their DMU degree and the meaning of their university experience, as they go on to enjoy, explore, and influence life beyond even the 21st Century.

SUPPORTING OUR STAFF AND STUDENTS IN THE COVID-19 PANDEMIC

The health, safety and wellbeing of our people is a priority for DMU. During the Covid-19 pandemic, significant activity continued to take place to support those who were either working at home, working on campus, or a hybrid combination of these. During the financial year 2020/21 our focus on following Government guidance to ensure a Covid-secure environment remained, with People and Organisational Development, Estates, faculties and directorates all engaged in work preparing for and supporting staff who may return to campus during the year.

As part of this, a person-centred questionnaire was created. Supported by Human Resources, all staff who were potentially returning to campus completed the questionnaire, which also led to an individual risk assessment for those who are extremely clinically vulnerable, clinically vulnerable or where another risk had been identified through the person-centred questionnaire. Social distancing, hand sanitisers, ventilation, room occupancy, desk screens, one-way systems within and to enter and exit buildings, were some among critical areas addressed.

Estates and Facilities Directorate (EFD) worked exhaustively to provide support, guidance and physical measures in line with Government guidance which formed a significant part of the university's mitigation against the risks of Covid.

In collaboration with the Strategic Planning Group and Faculties and Support Directorates, EFD calculated the reduced occupancy levels of teaching spaces and rooms, to produce the physical distancing guidance and identify the mitigation measures to be implemented.

The physical measures to make all buildings safe were spot-audited by members of the Leicester City Council Public Health Team, and Accommodation and Welfare Team at the request of the university; they felt safe at all times while inspecting the buildings.

Key highlights include, installation of protective screens to over 100 rooms across the university; installation of over 28,700 signs and notices; over 400 fixed hand-sanitizer stations across the campus; provision of over 20,000 free face coverings to all staff and students.

Measures also include enhanced and more frequent cleaning of all touchpoints and key circulation areas; deployment of a Covid Response Cleaning Team; over 900 self-service cleaning boxes in teaching spaces, and modifications to all ventilation systems to bring in fresh air 24/7.

The measures helped to ensure no buildings or large areas had to be closed due to an outbreak and allowed teaching and access to workplace to remain throughout the year, subject to Government restrictions.

For those working at home support was provided through the creation of a home-based work station risk assessment, supporting staff to work in a comfortable and appropriate environment when not on campus.

A staff wellbeing microsite was created, providing information and support on physical and mental health and wellbeing, caring for others, maintaining a life-work balance, and community events to engage in. Additional support was also provided for those who were caring for others.

As the pandemic crisis continued and became a 'new normal', the university turned its attention to developing a programme to support the future world of work. Academic staff have continued to be supported with technical and pedagogical support to further enhance the learning experience to students.

Managers, teams and colleagues across professional services have been invited to consider how they can maximise the opportunities remote working has given the university, such as technological advances and efficiencies, more sustainable working and less travelling, contributing to the university's green agenda. A programme to consider the fundamental elements of the 'New World of Work' is now rolling out and will be reviewed in the next academic year.



ENHANCING OUR EFFECTIVENESS

The Empowering University – consultation

To support development of the new DMU strategy, The Empowering University, extensive and wide consultation with our staff, students, and partners took place over a number of months. This consultation sought to engage a broad range of views and perspectives on our future strategic direction and priorities, our offer and the difference being part of DMU can make. Through a series of workshops those consulted were asked to share their view on what DMU priorities and strategic objectives should be, the potential challenges both higher education and DMU may experience, and how we deliver excellence. As part of this consultation, our new organisational values were also delivered, with both The Empowering University and Values being endorsed by the Board of Governors.

Values consultation.

The Learning and Organisational Development team designed and facilitated 20 workshops on organisational values. These included institution-wide workshops and faculty/directorate specific session. Each of the workshops was opened by a member of the University Leadership Board before staff worked in smaller groups to discuss and share insights. Specifically, staff were asked to capture the values that they already see demonstrated at DMU as well as the values they thought were important for DMU to embody moving forwards. In addition to the workshops, a survey was distributed for staff to complete and received over 130 responses. The data from both the workshops and survey was collated into key themes and shared with a working group representing both academic and professional services staff. Based on the working group discussions, two values statements were drafted and shared as part of the broader work on developing a new DMU strategy. The finalised values statement was launched in July 2021.

Enabling Academic Excellence

Adding to the pool of qualified teachers, Teacher Fellows, and National Teaching Fellows as we have in 2020/21, we have been able to grow institutional learning, teaching and assessment capability, raising quality and standards. Such capability can be utilised in a multitude of strategic ways and disseminated through a variety of channels, benefitting all colleagues that support student learning at DMU.

During 2020-21, a total of 19 colleagues achieved an Academic Professional Apprenticeship. Eight of those colleagues achieved a Distinction on the programme. In addition, we awarded 12 Vice-Chancellor's Distinguished Teaching Awards, four of which were won by participants on our Postgraduate Certificate in Academic Practice programme.

A further five colleagues were awarded Teacher Fellow status, including a first technical services colleague. One of our three institutional nominations for the National Teaching Fellowship Scheme was successful, meaning we have achieved six successes in the last five years.

Strategic Change Board

In seeking to continually improve our effectiveness, December 2020 saw the launch of the new Strategic Change Board, which replaced the previous Strategic Portfolio Board and accompanying theme boards. Following a period of consultation and engagement over the summer of 2020, a new approach was introduced to provide an agile, flexible, and revised governance that would increase the agility and speed of decisions, improve the effective use of resources and reduce bureaucracy and cost of running the portfolio. This new approach recommended programmes and projects would be defined into three categories of 'Corporate', 'Cross-functional' and 'Local' using a new allocation checklist process; governance and documentation would be tailored to the level of complexity; and Corporate Portfolio Management Office (CPMO) will be available at a scale which is appropriate to the category of programme and/or project.

As part of this new approach, theme boards ceased, enabling the aim to streamline and bolster decision-making and accountability. New Terms of Reference (ToR) were approved for Strategic Change Board (SCB), which confirmed new membership, agenda, and that frequency and reporting would hold to strong 'management by exception' principles. Our 'corporate' programmes and projects, with the aim of maintaining a maximum number which must be delivered and prioritised, report direct into SCB, but now focus on resolving escalated issues and risks, rather than simply discussing progress. Resources such Business Change Project Managers (BCPM) are allocated based on the programmes level of complexity and risk, as well as the financial and non-financial benefits to be realised, and the process is managed using the full suite of tools, templates and documentation.

'Cross-functional' projects meanwhile are important, but do not require monthly reporting corporately. Quarterly reviews on cross-functional projects progress take place, maintaining visibility without bureaucracy in managing successful delivery. SCB are available to resolve escalated issues if these projects hit a barrier to progress, such as lack of resources, funding or buy-in. BCPMs and other corporate resources can be agreed for these projects if there is capacity after corporate projects have been allocated. If not, CPMO can provide a 'light touch' project management offer, mentoring from a BCPM, or an Associate Project Manager could be made available. SRO's decide how best to use governance and documentation to ensure visibility, while enabling the required flexibility.

Improved data quality and reporting on training activities

In the last 12 months our reporting portfolio has grown to a total of nine reports that enable us to identify, monitor and report on key areas of the open programme of training delivered by various departments at DMU. These have given savings in staff time and also a considerable reduction in the amount of paper used. We are now able to check and report on the following areas:

- Course validity – this is especially important for health and safety courses where candidates need to refresh their training after a given amount of time, ensuring we are compliant with any necessary qualifications for staff;
- Number of pre-bookings – this allows us to see how many people are waiting to attend a course where either scheduled dates are not suitable, or dates have not yet been scheduled. This can help determine the number of courses that are scheduled in the future, enabling a more effective and efficient approach to supply and demand, with less course cancellations due to low numbers.
- Course cancellations – we can see why a course is cancelled or why candidates cancel on a course. Further Satisfactory Academic Progress development will enable cancellation reasons, providing more detailed information as to why staff do not attend their training sessions;
- Mandatory Training report for the line manager – the mandatory training report has now also been extended to all line managers so that they can ensure that their direct reports are compliant with their training. This means a more effective use of time for the line manager, focused on ensuring staff have completed mandatory training, mitigating any risk for the university;
- Booking and Waiting list details allows us to create an accurate attendance list for facilitators containing email addresses required for a Teams meeting invite. The list is then returned electronically meaning that we no longer use paper registers, reducing time and updating records more quickly.

In March 2021 we introduced an automated process for staff to request access to DMU's reporting system BILP, creating a new efficient process which is delivered in less time and therefore for less cost.

Developing our people through Apprenticeships

DMU is committed to supporting our people to develop and be successful in their role, including through the use of Apprenticeships. Significant work has been undertaken

by DMU as an employer of apprentices to meet the new requirements introduced under the Ofsted Education Inspection Framework from April 2021. This includes sharing with line managers their role and responsibility to enable the required off-the-job learning for apprentices, as well as creating a separation in line manager and mentor roles. DMU will continue to explore the opportunities apprenticeship programmes offer our people to further develop their skills and capabilities.

Enhancing our effectiveness through Continuous Improvement

The Continuous Improvement (CI) service has focused upon two key change programmes within DMU, seeking to improve performance, reduce processes and enhance our effectiveness.

Working closely with colleagues from across DMU on Transnational Education (TNE) provision, the current processes undertaken by the faculties and directorates were captured via workshops, mapping the entire end-to-end process for establishing and delivering our degree programmes in conjunction with our overseas partners. The aim of the exercise was to identify good practice and to establish opportunities for making improvements which would benefit both our partners and DMU. The CI service also consulted directly with partners to capture, first-hand, what their experiences were of working with DMU and how we could improve the services they received from us.

This initial research resulted in a baseline on which the CI service could build an enhanced service incorporating the identified examples of good practice along with addressing the areas which required improvement. Starting in December 2020 and finishing in February 2021, the CI service undertook a number of workshops with the key service providers to design a new and improved TNE process which will deliver a quality service to our customers and at the same time improve working practices for DMU.

This work resulted in a new process design and over 60 improvements which will go on to help inform the new operating model due for implementation in September 2021.

To support the Delivering Business Sustainability programme, analytics and CI reviews are taking place. The analytics activity focuses on using DMU data to build analytical models supporting financial awareness and efficiency within the university.

Firstly the 'space model' was created to more effectively compare and inform decisions on the use of current DMU space. The model illustrates the size of building space and what its allocated for. This will allow better decision-making on future space requirements and the capacity for income generation. The second model is the 'cost model' which will detail the full cost picture for every academic programme as well as the cost, to DMU, of an individual student's time at university. This will improve the financial transparency of programmes at the university and inform discussions as to the future offering made by DMU.

The CI review sphere has a series of reviews taking place within the Finance directorate with the purpose of improving efficiency across a number of processes. The first to be completed identified seven opportunities for improvement to the payments-in process, with a number of these due to be realised. A number of other reviews in Finance are due to complete during the remainder of 2021.

Enable staff to be at their best

The university is continually reviewing its policies and guidance to staff to ensure that full and proper governance is observed, and that policies are fit for purpose and modernised to enable staff to be at their best.

The university has this year successfully negotiated and agreed two new policies with its Trade Union colleagues and continues this programme of review, using staff networks to shape and inform future ways of working. Part of this review has been to align the student complaint process where the complaint refers to a member of staff's behaviour. There is much media attention relating to issues of harassment and discrimination and the university takes this extremely seriously. A streamlined process has been launched within faculties to ensure students have one point of contact and regular feedback on their concerns or complaints.

The focus this year has been to stabilise the workforce where possible and to seek to minimise any impact of Covid-19. Workforce efficiencies have been achieved through stringent control of external recruitment and the use of temporary and casual workers. Workforce planning processes are being utilised and a refreshed approach to recruitment and resourcing is being applied to ensure resource needs are mapped and appropriately sourced to enhance the student experience and teaching excellence.

Review of the Open Programme.

Whilst the Covid-19 presented many challenges, it also created an opportunity to reflect on and refresh the learning and development workshops available for staff to self-book on My Development. In addition to new topics such as 'The art of giving and receiving feedback' and 'Constructive conversations', the activities and discussion points as part of workshop content were updated to reflect the nature of remote and home working. For example, in the 'Assertiveness in the workplace' workshop, the difference between communicating virtually versus face to face in person are discussed. With the introduction of LinkedIn Learning, the format of open programme workshops was also updated to include self-directed learning before and after facilitated workshops. This has been consistently recognised as

enhancing the learning experience as captured on staff evaluation forms and has enabled staff to see learning as an activity that can also take place beyond a traditional classroom environment. A range of workshops were also introduced on the open programme by the Digital Skills Team to equip staff to make the most of the technology available to them when working from home. As work on DMU's culture change programme progresses, further development and updates to the open programme will be made.



DELIVERING AN EDUCATION EXPERIENCE THAT WORKS FOR ALL

As we reflect on the 2020-21 academic year, there has been a considerable evolution in the university's capability and capacity to respond to the challenges of the Covid-19 pandemic. In 2019-20 we went overnight from a university that was delivering face-to-face teaching to one that had to adapt to the implications of online delivery. Staff had to adapt their teaching styles and students experienced innovative approaches to learning. The evidence from the last 18 months has highlighted many positive elements attached to these changes. Students have responded positively to the provision of online lectures, with the capacity to replay content. The introduction of online assessments had a positive impact in closing the attainment gap, particularly among students who have a Specific Learning Difference (SpLD). It is therefore important that, as we look to the 2021-22 academic year and beyond, we adapt our practices to ensure that some of the positive lessons of the pandemic are captured.

Across the university colleagues have not only been focused on supporting our students to learn during the pandemic, but have been thinking a great deal about our future provision. This includes discussion about the nature of what a flexible curriculum can be and how the university will respond to the Government's plans for the introduction of a Lifelong Loan Entitlement from 2025. In the past year, we have further invested in our virtual laboratories, which enable students to access learning from outside of their university on their own personal equipment. Over 500 students took up our offer of loaning IT equipment to students who faced difficulties in accessing devices to enable them to complete their studies. We introduced Studiosity which provides 24/7 support for students in their learning of key subjects such as Maths and English. We also provided students with access to LinkedIn Learning which provides students with a platform to achieve learning and personal and professional goals.

Many of these initiatives have been led by our colleagues in Information, Technology and Media Services (ITMS) and Library and Learning Services (LLS). Students have been able to make use of our peer-mentoring support, Drawing Centre, Maths Learning Centre, Writing Circle, and 500-word Club. DMU is proud of its association with Royal Literary Fellows who provide support to students with their writing.

We have invested in a new software system to support our postgraduate research students. Important innovations over the past year have included the establishment of a pop-up Coaching Corner area in the library.

This enables staff and students to provide short, 'bite-sized' presentations on topics of interest. We also established a space to support commuting students that consisted of flexible and comfortable seating, lockers, and refreshments. A maker space was also created for model making, design and fabrication.

Just as we have expanded our support for students, so too have we focused on our staff. We were delighted that our colleague Julia Reeve was awarded a National Teaching Fellowship (NTF), which continues DMU's successful reputation in this prestigious competition. Our colleagues in the Faculty of Business and Law developed an exciting staff development programme called TaLEnt which focuses on providing a framework to support staff. At a university level, seven members of staff were awarded Principal Fellowship of the Higher Education Academy. Within the university, 12 members of staff received Vice-Chancellor Distinguished Teaching Awards (VCDTA). These awards are our own teaching 'Oscars' and are based on nominations from our students; five members of staff were also awarded a Teacher Fellowship.

These and many other staff work across the university to support innovative, impactful and research-engaged teaching, working often in partnership with colleagues in our Centre for Academic Innovation (CAI). DMU is at its heart a university that seeks to provide a first-class student experience and to tackle important societal challenges. These range from sustainability to decolonising the university and help to ensure that our learning community reflects an environment that our students and staff are fully represented.

DMU is at its heart an empowering university and this is reflected in our new strategy which has four key cross-cutting themes of learning for life, knowledge creation, empowering people, and partnerships with purpose. We are proud of our global and local partnerships. We have worked closely with our partners to ensure that our students

at partner providers were not impacted adversely by the challenges of delivery during the pandemic. Over the last year we have built on this work in signing new high-quality partnerships with providers in the UK that will lead to a further development of our provision in 2021-22. We also established a new campus in Dubai and Kazakhstan.

We recognise the importance that a university education can mean in transforming lives and the significant role that we play in the local and regional economy. DMU has established a Civic University Agreement with the University of Leicester that will provide a framework for collaborative working across five themes: education and skills; health and wellbeing; business and the economy; environment and arts, culture and heritage.

The 2020-21 cycle has been a successful for the university's 'Leicester Graduate City' project, led by DMU Works in partnership with the University of Leicester and Leicester City Council. The project seeks to retain more graduates in highly skilled graduate jobs in Leicester, driving regional economic prosperity. A key focus has been the roll-out of new internships at the end of the second year, creating earlier connections between students and local employers.

A total of 37 internships were delivered in June 2021, with students placed at businesses including a local community radio station, textiles manufacturer and legal firm. One employer commented: "Our student from DMU has been a model intern – quick to understand, willing to take direction but with a mind of her own. She has performed all tasks in a conscientious, meticulous, and diligent manner. I would certainly recommend the scheme to other employers as it enables junior talent to flourish and remain in Leicester."

To enable our graduates to be in the best possible shape for the future challenges of work, we have increased the number of students taking part in sandwich placements. This year our Faculties of Arts, Design and Humanities (ADH) and Health and Life Sciences (HLS) surpassed their placement targets, with HLS placing a record number of students in optional sandwich year placements. In a bid to safeguard a pipeline of high-quality placement settings for our Youth and Community Development students we have managed to broker service level agreements with

council partners for the first time; 10 placements per year with Leicester City Council and a minimum of six per year with Leicestershire County Council. This is a major step forward in providing guaranteed high-quality placements and will enhance the experience for students on the Youth and Community Development programme.

From January-July 2021, nearly 2,000 students also took on temporary work through our on-campus recruitment agency, Unitemps. These opportunities, meeting temporary resourcing needs within the university and local businesses, enable students and graduates to both earn money and develop their transferable skills and CV. The DMU Unitemps branch consistently ranks in the top five of 17 national branches of the Unitemps franchise, maintaining a high position against such key performance indicators as student assignments filled and student earnings. The DMU Unitemps branch also excelled in generating external business during the pandemic. Despite the long Leicester lockdown, external recruitment has seen an overall increase in turnover between 2020 and 2021, with the team maximising opportunities such as providing key workers to Covid-19 testing sites. The branch was shortlisted as Branch of the Year among all UK Unitemps branches in July 2021.

Due to the impact of Covid-19, we ran our employer events and conferences via online platforms. The DMU Works Graduate Recruitment and Placements Fair, HLS Plan Ahead, Value Employability (Pave) conference and Computing, Engineering and Media Pave are three of the university's largest annual employer events and constitute a key part of our offer to students, graduates, employers, and the faculties. It was determined that CareerHub, our existing IT platform, could be used to run our events in a successful way which responded to employer needs and was sensitive to the restrictions on their resources. When our proposed solution was shared with employers, we received highly positive feedback, including the following from Teach First, the UK's largest graduate recruiter: "This has been circulated amongst recruiters in our team as an example of good practice and what we should be hoping for from our university partners."

The DMU Works Enterprise and Entrepreneurship offer developed significantly in 2020-21. A new programme of extra-curricular lectures and seminars called Launchpad was introduced for final year students and graduates, attracting 117 participants in its first year. A major new initiative, DMU Made, was launched to support the University's sizeable number of students who launch creative businesses. The initiative consists of a new web platform, dmumade.com, brand new short start-up accelerator courses, pitching workshops, networking opportunities, plus a dedicated online space through which to promote creative businesses started by students and graduates.

The whole range of innovative services provided by the university's careers team, DMU Works, were recognised in 2020-21 in a series of national awards. In February 2021, the team was voted Best UK Careers and Employability Service 2021 in the prestigious National Undergraduate Employability Awards. The judging panel offered particular praise to DMU for formally employing students and graduates as part of the careers team, providing a means to continually hear the student voice and shape their services for the best student experience.

The judges also commended the effectiveness of the DMU Works digital employability strategy, launched in 2019-20, which focuses on preparing students and graduates for a digital graduate recruitment landscape. The strategy has created a digital Skills Hub including an automated CV review tool based on applicant tracking systems used by graduate recruiters, and a self-access interview simulation tool. Students can also take the DMU Works Careers Self-assessment, self-rating their employability confidence and receiving a personalised suite of employability development tools and e-learning based on their strengths and weaknesses.

During the pandemic, the use of DMU Works online tools among students and graduates increased massively, with over 60,000 unique activities undertaken in the DMU Works Skills Hub during the 2020-21 academic year. Skills Hub activity in the busiest month, October, tripled between 2019 and 2020. The DMU Works digital strategy earned the university a bronze award for Excellence in Digital Innovation in the 2021 WhatUni awards, which are voted entirely by students, and a second award for digital innovation from IT supplier Abintegro, who provide a global platform for online careers learning and skills development.

We sought to increase the impact of our established six-week graduate internships by piloting a new online Graduate Development Programme. This online module includes input from staff and employers to help graduates reflect

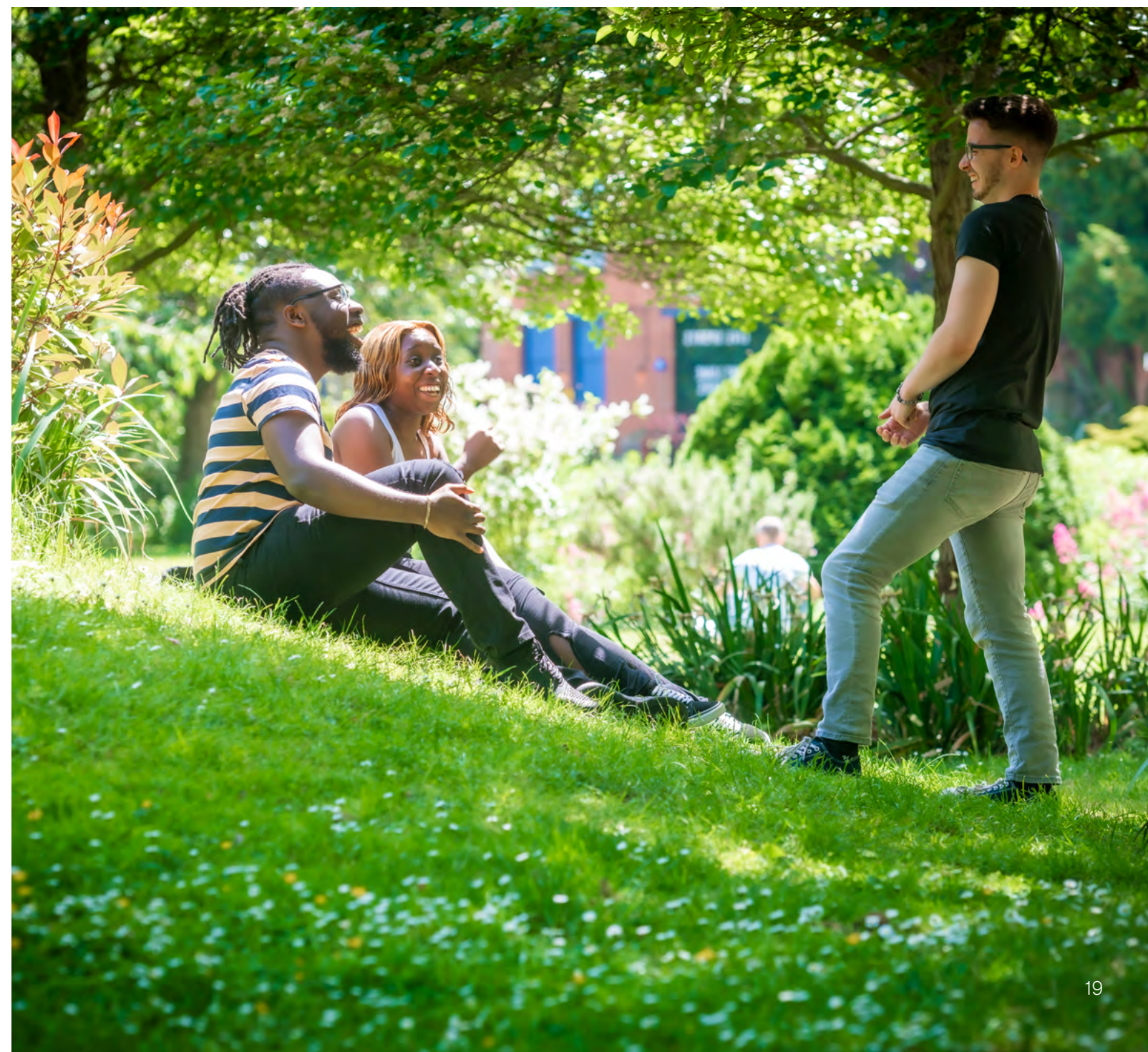
on their experience and appreciate the skills they have developed, generating greater exit velocity into highly skilled employment. Following successful outcomes from the pilot, this new programme will now become part of the Graduate Champions package for the 300 graduates who participate in the scheme each year.

To ensure that our students are best prepared for their university studies, we developed an interactive online course for new and returning students called 'Base Camp'. It has been designed for students to develop confidence in studying and awareness of how to access support. It covers learning styles, digital skills, time management, engagement, assessment, and feedback. After completing the course, students will have a stronger understanding of the skills that are needed to be a successful learner, be able to identify areas of strength in different learning styles, explore opportunities to develop digital skills to enable learning, identify approaches to managing time effectively, and recognise the services that are available to support students in their studies. Our investment in bringing this information together in an innovative manner reflects our underlying commitment to our students and represents the way in which colleagues at DMU go the extra mile.

At DMU we have a whole-university approach to wellbeing that we refer to as Healthy DMU. This provides a comprehensive range of guidance for staff in relation to student mental health and wellbeing through the Healthy DMU staff toolkit. The Healthy DMU Hub provides a route into a remarkably diverse range of information, guidance, and support mechanisms for students. Over the past year we have invested in the support that we provide for student wellbeing. In all this work, our success is dependent on a close working partnership with De Montfort Students' Union (DSU) to ensure that the student voice is reflected across the University.

These initiatives are reflective of our commitment to co-creation, which is a central pillar of our University Learning, Teaching and Assessment Strategy. The other two key pillars of the ULTAS include our commitment to Universal Design for Learning and building capability within the university through the likes of developing digital capabilities and supporting our staff. Important initiatives in these areas include a cross-university group of staff working together to create Learning Space design principles, to guide effective learning environment design across all campus classrooms and lecture theatres.

Just as we have focused attention on campus-based learning design, so too have we considered the importance of how our students learn via distance learning. In the past year we have expanded our distance learning support by investing in the hiring of staff to establish a central distance learning team. Through this investment, the university now has a dedicated group of colleagues who are focusing their energies on the strategic development of our distance learning provision and bringing important course design principles to ensure a consistently excellent student experience for our distance learning students. This work will also play an important role in developing our thinking around the flexibility of our offer for future students.



EQUALITY, DIVERSITY AND INCLUSION

DMU is proud to have one of the most diverse staff and student populations of any UK university. Providing the culture, environment, and opportunities for all our staff and students to perform their best, free from discrimination or disadvantage, is both the right thing for us to do, but also key to our success. That is why consideration of equality, diversity and inclusion (EDI) runs through all that we do.

We were placed 40th in the 2020 Stonewall Top 100 Employers Index; in November 2020 we won the prestigious Pink News Public Sector Award for our work on advancing LGBT inclusion in the Leicester and Leicestershire region.

Work will begin to renew our institutional Athena SWAN gender equality awards, while continuing to support departmental-level applications. DMU support four active and strong staff network groups focusing on women, disabled staff, BAME (black, Asian, minority ethnic) staff and LGBTQ (lesbian, gay, bisexual, transgender and queer or questioning) staff.

DMU's staff networks played a hugely significant role for staff over the lockdown and subsequent prolonged periods of working from home. Holding online events that have celebrated Pride, International Women's Day, Black History Month and raised awareness of invisible disabilities, alongside multiple networking and 'virtual human contact' events, they have supported staff morale and helped to ensure that the supportive and vibrant community of DMU has been maintained.

The networks have also proved a valuable resource for the university to consult with, throughout the management of the Covid-19 crisis, ensuring that different perspectives have been represented in the difficult decisions that have been required.

Our Decolonising DMU initiative, which is developing our understanding and action to address racial disparity, is in the process of being brought together with the commitments we have made through the Race Equality Charter. As we aim for a Silver level award in that charter, we will call all of our work to advance race equality simply Decolonising DMU: Building an Anti-Racist University. This recognises that for the processes and systems that are being changed through the

Race Charter to have an impact, we require the foundation of understanding and culture that Decolonising DMU is developing to be working together; critical to Decolonising DMU is listening to the voices of staff that identify as black, Asian, or belonging to another minority group. Early in 2021 we held listening sessions with those staff. Taken together with a survey of staff and students that we conducted in May, asking about 'racialised' experiences at DMU, and enhanced representation of BAME staff around the Decolonising DMU governance board, the lived experience will be embedded in our race equality work.

In January 2021, DMU and De Montfort Students' Union (DSU) launched No Space for Hate (NSFH). NSFH provides the ability to report anonymously incidences students experience or witness, seek support from a specialised service, along with a range of development and policy initiatives to ensure that we are robust and well equipped to manage inappropriate behaviour towards our students.

We have seen success with new forms of student engagement as part of our Leicester's Future Leaders project, which is co-funded by the Office for Students. We delivered a ground-breaking student-business conference, a four-day event that brought students and Leicester businesses together to explore potential barriers to BAME recruitment and career progression.

The conference was seen to transform the students' levels of self-belief and confidence. Students tweeted on their personal accounts: "I will leave here today a different person", and "Best thing I've ever done". The conference also achieved its objective of changing students' views about staying in Leicester after graduating. At the start of the conference, of the 30 students in attendance, 10 had no plans at all to stay in Leicester. After the four days, six of these students had changed their minds and wanted to stay. The overall percentage of students wanting to build their career in Leicester, among all 30 students, rose from 67 per cent to 87 per cent.

Our Employability Mentoring Programme began preparations and research in 2019-20 to launch an in-work mentoring scheme for DMU BAME graduates working in high-skilled roles in Leicester. The new scheme will aim to help these

graduates progress in their careers, rising to leadership level through appropriate support from inside and outside their organisation. DMU has recruited an additional Mentoring Manager to lead this programme, supporting the objectives of our Leicester's Future Leaders project.

A new three-year EDI strategy is due to launch in early 2022. This will be a key tool to support the delivery of the new DMU strategy in which 'equality for all' is a cross-cutting theme. The Equality, Diversity and Inclusion team moved into the Vice-Chancellor's Office at the start of 2021 to ensure that central support is available for all colleagues as they develop their practise to support equality of outcomes.

Work to ensure that the governance of EDI work is secure has continued. A new reporting timetable has been agreed which feeds into the Board of Governors on a bi-annual basis, and reporting tools which enable the detailed examination of data through an equality lens continue to be developed; a revised 'Improving Outcome' process is due to be released, helping the university maximise the benefits our diversity can bring, while assuring ourselves that we are meeting our requirements under the Equality Act. In recognition that EDI requires senior representation at the University Leadership Board, the position of Deputy PVC for Equality, Diversity and Inclusion has been created, initially on an interim basis.

Supporting staff to develop their inclusive practice new mandatory training, an 'Introduction to Bias', was launched in 2021; an 'Understanding micro-aggressions' course has also been rolled out.

A strategic group was established to review DMU's strategic approach to managing and preventing sexual harassment and violence. The university adopted the International Holocaust Remembrance Alliance antisemitism definition in 2020. DMU is a participant in the '100 Black Women Professors Now' initiative, led by the Women's Higher Education Network, supporting the increase of black female professors.

FACULTY OF ARTS, DESIGN AND HUMANITIES

Sustainability is a key focus of the faculty. The university was shortlisted in four categories in the Green Gown Awards, and won one. The Green Gown Awards celebrate the work being done in universities and colleges to tackle climate change and promote sustainability.

The awards are run by the Environmental Association for Universities and Colleges and Alliance for Sustainability Leadership in Education. The university was one of 45 institutions to be nominated across 12 categories. Postgraduate student Nalinee Netithammakorn won the award for Research with Impact category. Nalinee has developed a new way of dyeing textiles at low temperatures and without harsh chemicals traditionally used.

In addition, the Centre for English Language Learning was highly commended. They entered under the Next Generation Learning and Skills category, due to their work on using the United Nations Sustainable Development Goals as a framework to teach English language and academic skills to the many international students that come to the university.

A competition to design a gift for a retiring Lord Mayor has been won by a Design Crafts student. Sam Lack came up with a design for a badge that gave a contemporary twist to some traditional elements of the city's crest. His winning design, featuring a cinquefoil supported by the wings of a wyvern and made of sterling silver, has been designed to be worn as a medal or as a brooch.

Senior Lecturer Rajesh Gogna said: "As part of the BA Design Crafts course curriculum, our students participate in a range of live briefs every year to learn the skills required to become a professional designer-maker. This new collaboration project with the Lord Mayor's office has offered a great experience to all our students, and it's given Sam the opportunity to work in sterling silver, allowing him to develop his knowledge and his experience of becoming a contemporary jeweller."

Contour Fashion student Disha Lulla made thousands of reusable face masks for the people of her Indian hometown and is using all the profits to fund charities and plant trees.

Disha has made almost 3,000 masks using the skills and techniques learnt on her course. Her success has led Disha to create her own brand to make and sell the reusable masks, with the profits going to local charities. She has also pledged to plant a tree for every 25 masks sold. Disha is dedicated to supporting her local community in Indore, where she has previously donated vital equipment to local authorities using her own savings.

She said: "The demand for masks was so high [due to the pandemic]. At first, I was making them and donating them, then I decided to form a brand and sell them to help out local charities."

Disha is highly focused on sustainability, recycling and looking after the environment, expanding this into working with brands with the same core values, such as Tea India and Brownliving, who ship goods using 100% plastic-free packaging and tape made of paper and starch-based glue.

Disha is making the masks in her home studio, ensuring that they are all reusable and recycling the fabric waste. Disha has made the decision to take a year out of her studies so she can be with her family and continue to help her local community.

She said: "I am definitely planning on coming back to DMU. I have taken a year out so I can be with my family and continue making masks for people who need them."

Roshni Desai, a Contour Fashion graduate, launched her first lingerie collection just one year after graduating.

Roshni has been working freelance and set up her own lingerie business at home. Her first collection can now be found on ASOS Marketplace and she has an Etsy shop. It includes a special 'bralette' that she has designed for women who have undergone breast surgery. This is something close to her heart for personal reasons.

Roshni said: "My bralette-style design was inspired by a family member who felt extremely uncomfortable finding nice lingerie to suit her after she'd had multiple operations. It is fully lined with mesh for comfort, has no wires in so it's very flexible for the wearer, and provides support for them whilst they're recovering. It is pretty and practical."

At a time of a global pandemic, when all theatres and entertainment venues were locked down, the biggest arts festival ever staged for England's prisons was launched. Arts professionals, former and current inmates of HMPs in England, and students and staff from DMU were involved in the eight-week series, called Talent Unlocked, screened in 50 prisons in England to reach potentially 37,000 prisoners and stakeholders.

Jacqui Norton, Senior Lecturer in Arts and Festivals Management at DMU, said: "I knew that it would not be possible to present a face-to-face programme. I was already working on a music industry project to be aired via Wayout TV, and they offered the use of their platform so that we did not need to cancel. This has been a major project, one to be very proud of."

The programme included a beat-boxing workshop, poetry, drama, music and artwork from current inmates. Arts and Festivals Management students performed a play written by a prisoner, while Jacqui led discussions about the power and the importance of the arts behind bars.

Drama students worked entirely remotely on a creative reimagining of Blood Wedding, a gripping tragedy from writer Federico García Lorca inspired by a true story and first performed in 1933. Stage productions and green screens may not be an obvious pairing, but students collaborated with Leicester's Curve theatre in this way.

Directed by Jennifer Lane Baker through video calls, the 21 students filmed themselves against green screens and their performances were professionally edited together into a thrilling virtual play, which was made available to watch on demand, for a time. The experience was part of the Drama curriculum, thanks to the university's valuable partnership with Leicester's award-winning theatre, enabling second year and final year students to audition for the elective module.

Staff and students used their creative skills to help restore two popular shopping streets in Leicester as part of a major heritage improvement scheme. The city council was awarded £1.5 million by Historic England as part of its Heritage Action Zone programme, aimed at making cities better places to live, work and more appealing for visitors.

The scheme will see some of the most significant historic shopfronts and buildings in Granby Street and Church Gate, restored and redesigned with creative input from faculty staff and students.

After the pandemic forced a planned show online, tutors and technicians worked tirelessly to co-ordinate a Covid-compliant showcase that took place in our award-winning Vijay Patel Building in 2021. Traditionally one of Leicester's biggest exhibitions, this celebrated the remarkable resilience students and graduates have shown during a global pandemic.

An 'outstanding body of work' earned Jihee Ahn a £5,000 first prize in the prestigious Footwear Awards 2021, hosted by The Worshipful Company of Cordwainers.

The final year Footwear Design student impressed the judging panel of industry leaders with a collection inspired by postmodernist designs and furniture.

FACULTY OF BUSINESS AND LAW

This challenging year generated some exciting new developments in the Faculty of Business and Law in all areas of activity.

Online learning drove staff development through our Teaching and Learning Enhancement (TaLEnt) programme, with nearly 100 academic staff securing Certified Management and Business Educator (CMBE) status, and committing to annual continuing professional development through the Chartered Association of Business Schools scheme. Three colleagues gained the prestigious Principal Fellowship of the Higher Education Academy (PFHEA) and a number of others gained Senior Fellow and Fellowship status. The TaLEnt programme and the end-of-year festival attracted hundreds of academics including 100 from our Transnational Education Projects partners.

The faculty began a large-scale review of its curriculum, driven by a desire to create stronger course and cohort identity, better course definition, design, and architecture and flexibility. The review was based on principles of: embedded internationalisation; social responsibility, ethics and sustainability; professional skill development; authentic, immersive learning experiences and assessments; contemporary issues and research-inspired teaching; and decolonisation of the curriculum. The work will continue into 2021/22, with new courses offered in 2022.

The faculty already works with 18 professional bodies to offer accreditations and exemptions. This year we added Chartered Financial Analyst for BSc Finance and Investments and Risk Management Institute for MSc Risk Management (one of only four UK universities to achieve the maximum accreditation level).

Research in the faculty continues to thrive, and the work of 138 academic colleagues was submitted as part of the Research Excellence Framework. External funding exceeded expectations with some very prestigious grants awarded, notably the EU Commission Horizon 2020 Marie Curie Sklodowski post-doctoral fellowships totalling £539,925, and a number of British Academy grants.

Our international footprint is growing and we saw the launch of DMU Kazakhstan, a new collaborative partnership with Edperitus. This exciting development places DMU at the forefront of English Language Higher Education provision in Kazakhstan. Teaching was due to begin in September 2021 with a foundation year leading on to a number of business programmes.



FACULTY OF COMPUTING, ENGINEERING AND MEDIA

The faculty has excelled in many areas this year. The National Cyber Security Centre – a leading authority in that field – has named DMU a gold standard Academic Centre of Excellence in Cyber Security Education, a first in the East Midlands.

A research project conducted at DMU successfully manufactured the first prosthetic limb socket made from recycled plastic bottles. This innovation by Dr Karthikeyan Kandan, a Senior Lecturer in Mechanical Engineering, could save healthcare providers money, help tackle plastic pollution and have a huge impact on the quality of life for a significant percentage of the population with a disability, predominantly through restoring mobility to amputees. This achievement has featured on the BBC, in the Daily Telegraph, on CNN and in industry-related publications, and was recognised by organisers of the Shining World Invention Award.

An expert from DMU received €2 million to allow them to explore whether digital scores could lead to a new kind of music experience in the future. Professor Craig Vear, a researcher at the university's Institute of Creative Technologies and a Performing Arts alumnus of DMU, secured the highest amount available from the prestigious European Research Council for his proposal, which will enable him to conduct the study over the course of five years and work with research partners around the world. In another field, colleague Abhishek Tiwary's Enabling Hybrid Autonomous Nonconventional System for Clean Indoor Environment was accepted for an award by The Royal Academy of Engineering.

The DMU Flyer student team – set up to boost knowledge and interest in the aviation and aeronautics industry – was accepted to participate in the 2021 Unmanned Aerial System competition; Aeronautical student Connor Watkins, who leads DMU Flyers, was invited to interview by the prestigious Royal Academy of Engineering.

Resilience in the face of personal challenges earned recognition for Ellie Lilliot, a Mechanical Engineering student. She was named Undergraduate of the Year for Excellence Through Adversity in the TARGETJobs awards, earning prizes including a 10-week paid internship with Rolls-Royce and a Nanodegree with Code Girls First.

Ellie, who has autism, impressed the judges by pursuing education against the odds: poor mental health forced Ellie to drop out of school during Year 13, leaving her unable to take her A-level exams. Thanks to her excellent school records and impressive extra-curricular activities, Ellie was able to take up an unconditional offer from DMU following a two-year programme.

Quality teaching and facilities earned the DMU Game Art BA (Hons) course recognition from world-leading industry giant Epic Games, and Dr Sarah Jones, Deputy Dean of the faculty, was nominated in the Midlands Women in Tech Awards 2021.

The faculty held events to celebrate equality, diversity and inclusion around the topic of Women in STEM – Science, Technology, Engineering and Mathematics. These included a panel discussion with staff and students for International Women in Engineering Day 2021; the faculty has worked with students to establish a Women in STEM Society.

The School of Computer Science and Informatic was due to submit in November 2021 an application for Athena Swan recognition; the organisations 'helps institutions achieve their gender equality objectives'.

Our technicians have developed a virtual space to engage first year students in their lab projects and created a 'remote' laboratory for students in Aeronautics. Technicians have also enabled academics to 3D-print frames for thousands of single-use face screens that were donated to University Hospitals Leicester during the first lockdown, and developed 1,758 'lab-in-a-box' kits and over 200 'studios-in-a-box' to support students.

Our academics also put together a creative online space on Instagram – #virtualstudiodmu – to offer the traditional aspects of a physical design studio online. The #virtualstudiodmu was established with third year students, then extended, and has been shared as good practice, and with industry. During the first lockdown, a weekly 'Covideodrome' online film event supported the community.



FACULTY OF HEALTH AND LIFE SCIENCES

Student award successes

A DMU student has successfully secured a place on the Council of Deans' annual leadership course in each of its past five years. This is a national, and prestigious course, which takes only 12 students annually; in 2021 Thomas Palmer, an Adult Nursing student, secured his place. We also had three students shortlisted in two categories for the annual national Nursing Times Student Awards.

PhD Pharmacy student Bhishak Pankhania was chosen by the American Defence Threat Reduction Agency (DTRA) to take part in their Travel Award, and to make an oral presentation titled 'Modelling disinfection of biological threats using *Bacillus thuringiensis* spores: Efficacy of hydrogen peroxide, heterogeneous catalysis and germinant combinations'; this was delivered at DTRA's Chemical and Biological Defence Science and Technology conference in Cincinnati.

Research in focus

HLS research highlights included Nick Turner securing an Engineering and Physical Sciences Research Council (EPSRC) grant of over £500,000 as part of a joint 30-month project with researchers in chemistry at Newcastle University entitled: 'Directed Molecular Recognition through Next-Generation Hybrid Molecular Imprinting'; Nick was also invited to the final interview stage for the EPSRC Established Career Fellowship. A £3 million National Institute for Health Research (NIHR) Crying Baby award went to Jayne Browne.

Mingzhong Li secured £200,000 through EPSRC's New Horizons scheme to develop co-crystal product design tools with two UK software companies, Certara-Simcyp and Structure Vision Ltd., and £1 million through the EPSRC

Global Challenges Research Fund towards patient-centric supramolecular formulations of new anti-leishmanial drugs for Indian communities.

Associate Professor Dr Louise Dunford was awarded £99,793 to undertake a Cochrane Review of Interventions For Hyperhidrosis, in collaboration with Cochrane Skin Group, South Eastern Health and Social Care Trust, University of Derby, University of Hertfordshire and University of Huddersfield. Omar Mansour was awarded £80,000 for two small-angle neutron-scattering beam time proposals, funded by the Science and Technology Facilities Council: self-assembly of polymer surfactant mixtures at highly dynamic interfaces, and biosurfactants and their use in cosmetic and personal care products.

Dr Shivanthi Samarasinghe was given an award of £24,385 by the Global Challenge Research Fund to evaluate the risk factors associated with susceptibility and severity of urinary tract infection among pregnant women, and to build the capacity of rapid and enhanced genomic surveillance in Kenya.

How HLS helped the fight against Covid-19

Our faculty led the admission of DMU into the Academy of Medical Sciences Springboard Scheme, with four applications successfully submitted for consideration and now under review, and maximised opportunities for Covid-19-related research leading to collaborations, policy change and media coverage around the globe.

These included Katie Laird and Maitreyi Shivkumar demonstrating that viruses like Covid-19 can survive on textiles for up to 72 hours; this led to the Textile Service Association updating its best practice guidance, in association with UKHospitality, to help hotels, restaurants and others understand the latest advice and regulations.

Within the Centre for Reproduction Research (CRR), Dr Tina Harris and colleagues published research based on a national cohort study examining maternal and perinatal outcomes of pregnant women with SARS-CoV-2 infection at the time of birth, demonstrating that having coronavirus

around the time of birth may increase the chance of stillbirths and premature births. Cathy Herbrand and Kylie Baldwin convened and hosted a British Sociological Association Human Reproduction Study Group conference, 'Reproductive challenges in a post-Covid19 world', and Neena Lakhani led a study exploring how 'remote' healthcare consultations could be improved, after the pandemic led to a huge increase in virtual/ telephone appointments.

Our help in the community

The CRR hosted the Leicester Cloth Nappy Library, with funding from Leicester City Council, DMU Local and DMU Sustainability, providing support to new parents across the city to reduce waste by switching to reusable cloth nappies. Kylie Baldwin's 2019 monograph 'Egg freezing, fertility and reproductive choice: Negotiating responsibility, hope and modern motherhood' and Andy Northcott's 2020 monograph (written with Katie Featherstone) entitled 'Wandering the Wards: An Ethnography of Hospital Care and its Consequences for People Living with Dementia' were shortlisted for the prestigious Foundation for Sociology of Health and Illness book prize. There was a prestigious secondment with Dementia UK for Professor Karen Harrison Denning, to support the further development of the frail elderly and dementia research portfolio at DMU; the Talent 25 programme, supported by Professor Bertha Ochieng, is a national programme following lives from birth to age 25, to monitor health.

Staff have published headline research or given invited talks at national and prestigious international meetings and conferences. Nicky Hudson gave two invited talks at the European Society of Human Reproduction and Embryology on the management of chronic pain brought on by endometriosis, and the role of commercial interests; she was also invited to share findings and insights from an EPSRC project on egg donation with organisations like Pathways to Parenthood and – in collaboration with Lorraine Culley and Cathy Herbrand and the rest of the project team – published a new paper in the journal Health Policy and Technology, exploring the shifting landscape of egg donation in Europe.

Rob Canton gave a keynote lecture to the 25th Council of Europe Conference of Directors of Prison and Probation Services called 'Covid-19: Challenges, Lessons and Strategies', hosted in Strasbourg, and Richard Hall led the relaunch of the institutional open access journal Gateway Papers: A Journal of Education and Pedagogic Research, with a focus in the first issue on Covid-19 and academic practice.

Ruth McKie is currently co-chair of both the International Census on Obstruction and the Natural Resource Extraction and Climate Obstruction in the Global South working groups at the Climate Social Science Network, Brown University. Working in partnership with students, Rosi Smith and Emma Wright are leading a project on inclusive, multi-partner co-creation for the teaching of special educational needs and disabilities in higher education for the Advance Higher Education Good Practice Fund.

DMU'S ENTERPRISE AND BUSINESS SERVICES

By the start of August 2020, Leicester had been in local lockdown for eight weeks and would remain so until May 2021. DMU's Enterprise and Business Services (EBS) directorate made it their focus to support the city's business community, offering university expertise and practical support to help companies navigate 'the new normal'.

With 90% of the city and county's businesses made up of small and mid-size enterprise (SMEs) and a high percentage of people employed in the retail or hospitality industries – among those worst affected by the pandemic – it was important that DMU was able to provide support at a practical as well as a strategic level.

Over the past year the EBS team used its extensive network to do just that, collaborating not only with colleagues from DMU but sharing expertise with the Government, commercial organisations, communities and the third sector.

Practical support included free coaching and mentoring sessions with academics from DMU's Leicester Castle Business School. EBS's website became home to regular blogs written by academic and professional services colleagues offering advice to business owners on issues such as leadership, employee wellbeing and managing change. Within the first few weeks of the local lockdown, EBS ran a weekly Twitter hour answering questions from businesses and relaying the latest Government advice.

Small and medium businesses affected by Covid-19 in Leicester benefited from the expertise of our Leicester Castle Business School in 2020-21 as part of a £20 million Government package to help small businesses recover. Innovation, leadership, employee engagement, operational efficiency, financial management, building resilience and support with business planning were among the topics covered by the Small Business Leadership Programme (SBLP).

DMU's team of business experts – including academics, mentors and coaches – ran the 10-week programme worth £5,000 for free after securing funding from the Department for Business, Energy and Industrial Strategy

(BEIS). There were more than 80 local businesses that benefited from the scheme, and it was shortlisted for a Chamber of Commerce award as one of the best examples of business support in the area.

In early 2021, DMU became the AI and cyber partner of the East Midlands Chamber of Commerce, offering businesses access to the latest digital skills training. Digital skills are top of the list of most-wanted expertise in the region, and been highlighted as a growing need by the The Leicester and Leicestershire Enterprise Partnership. This partnership will support the economic and social recovery of the UK from the effects of the Covid-19 pandemic, and accelerate the huge potential of the digital economy in the East Midlands creating more innovative, more productive businesses in the process.

The Higher Education Innovation Fund was used to support the East Midlands Top 500 Business Index, compiled by DMU academics in partnership with the University of Derby and Nottingham Trent University. This is a long-term project which demonstrates the contribution businesses across the region make to UK plc, and allows us to see the range and strength of firms across the region. The work to develop the Top 500 Business Index led to a Knowledge Transfer Partnership (KTP) between DMU and East Midlands Chamber to use AI and data to create an East Midlands Economic Observatory. It is hoped that such a database will allow the region to make a stronger case for funding, and support businesses to access grants and inform better decision making based on the data.

DMU is proud to continue our Headline Partnership of the Leicester Business Festival (LBF). As part of the Local Economic Recovery Plan, LBF is predicted to help the business community bounce back following the pandemic and showcase the innovation and resilience of the region. The festival runs over two weeks and includes dozens of free events across a host of sectors; 2020 saw 118 events take place with more than 3,000 attendees and a total reach of circa 18 million people despite the pandemic.

During the festival, DMU teamed up with Leicester City Council to share the results of its Build Back Better programme. The EBS team helped organise consultations with business and industry figures looking at how the city could best respond to the challenges of Covid-19.

Collectively, the consultations delivered more than 250 ideas and interventions. These ideas were featured in the media and discussed at the city council's cabinet and a shortlist of ideas have now been taken forward. As active event hosts and partners of the annual Leicestershire Innovation Week, DMU aims to inspire businesses of every size and sector to embrace innovation.

DMU welcomed Dr Heather Melville, director and head of client experience of PricewaterhouseCoopers, to join the panel on Female Leadership and Innovation, one of three events hosted by the university which showcased how businesses can build collaborations and work with academics. A total of 18 events were held during Innovation Week and some 370 businesses engaged.

East Midlands Chamber's Cyber Week runs in partnership with DMU and is the perfect opportunity for industry to get hands-on experience with a series of events and workshops delivered by industry professionals and academics.

Following a successful tender submission, the Ministry of Justice has awarded DMU a substantial contract to deliver the Community Justice Learning Professional Qualification in Probation for three years (with a potential fourth year) across East Midlands, West Midlands, London, East of England, Kent Surrey and Sussex, and South West and South Central Wales.

This is the mandatory training route for all probation officers that are employed by the Probation Service (which forms part of Her Majesty's Prison and Probation Service). The contract places DMU among the leading providers of probation training in the UK.

On a strategic level, the EBS team has collaborated on recovery plans for the city and region. As a partner of key organisations such as local authorities, the Leicester and Leicestershire Economic Partnership (LLEP), East Midlands Chamber of Commerce and industry forums such as MIT-Reap – a global initiative designed to provide regions with tools and insights that they need to accelerate their innovation-driven entrepreneurial ecosystems – EBS was able to be the university's voice as the focus began to shift to Covid-19 recovery and the Government's levelling up agenda outlined in its Plan for Growth. EBS also plays a key role in representing DMU on a regional level, as one of seven entrepreneurial universities which form Midlands Enterprise Universities, supporting the Midlands Engine for Growth, which drives economic development in the region.

A key issue for employers, particularly in the East Midlands, is in finding employees who have the necessary digital expertise for the jobs available. Partly in response to this, DMU is undertaking work with regional employers to understand the skills gaps better and to work with them to help plug this in the region, act as a pipeline of new talent, and help the area recover from the effects of the pandemic.

Local and regional engagement for apprenticeships goes from strength to strength despite the challenges of 2020-21, as we continue to expand the portfolio of apprenticeship programmes offered by the university. DMU has been chairing the Apprenticeships Group on the Midlands Enterprise Universities, is a key partner in the Leicestershire Employment Hub project, and a regular contributor to the Leicester Business Festival.

National level engagement activities include participation in roundtable events with the Education and Skills Funding Agency and hosting a series of online events for National Apprenticeship Week.

Three apprenticeship programmes successfully recruited learners during lockdown showing the desire of larger companies such as IBM and BT to plan for the future and engage with training and development. The central apprenticeship team has been recruiting new staff to support business continuity, compliance and the anticipated growth in apprenticeship provision. Successful application to the Register of End Point Assessment Organisations will enable us to deliver Enhanced Progression Agreements for our integrated and integrated aligned apprenticeship provision, and become a new income stream for DMU.

This approach of collaborating with others to answer the needs of the region's businesses is one which will continue, with plans for more apprenticeship programmes, more support for SMEs and ambitions for more Knowledge Transfer Partnerships with businesses to drive forward their growth – benefiting not only themselves and DMU but the region's economy.



RESEARCH SERVICES

In 2020/21, De Montfort University's research has been supported by external research grants from a range of government and charitable funders, including some new collaborations. Professor Jayne Brown was awarded £1.7 million from the National Institute for Health Research for her project 'Surviving Crying'; Professor Craig Vear, £1.6 million from the European Research Council for 'Digital Scores'; and Dr Nick Turner, £270,150 from the Engineering and Physical Sciences Research Council for 'Next-Generation Hybrid Molecular Imprinting'.

The range of awards in 2020/21 shows how DMU staff have been quick to respond to the research challenges posed by Covid-19. Regular online talks in 2020/21 on international awareness days, focusing on DMU's response to Covid-19, have attracted over 4,000 viewers, showcasing the impact of our research worldwide. Talks ranged from 'Research and the Covid-19 Crisis: International Day of Peace' to 'Theatre in a Time of Plague: Shakespeare's Birthday'.

In The Faculty of Health and Life Sciences (HLS), Professor Katie Laird's research into the way Covid-19 behaves on fabric, published by the American Society for Microbiology, has received international attention. The research was due to be extended, with University Hospitals of Leicester NHS Trust surveying nurses and healthcare workers about their knowledge and attitudes towards washing their uniforms during the pandemic. Initiatives in HLS include a partnership with Willows Health, the largest GP practice in Leicestershire, and the creation of a Willows-DMU Centre for Primary Care Research. DMU has also successfully gained admittance to the Academy of Medical Sciences' Springboard Scheme, enabling staff within the first five years of their academic post the opportunity to apply for up to £100,000 over two years to support their research on health-related themes.

In the Faculty of Arts, Design and Humanities, DMU History has been chosen as one of the hosts of the Institute of Historical Research's 12-month centenary celebration in 2022. In partnership with the Leicester branch of the Historical Association, it will host a Leicester History Festival which will focus particularly on the multicultural history of the city, putting the work of DMU History in the local community on a national stage.

Within the Faculty of Business and Law, the Centre for Law, Justice and Society has had a particularly impressive period of successful grants, with members acting as principal investigator or co-investigator on over 13 medium-to-large bids, with at least three in excess of £180,000 and one joint grant of £900,000.

Within The Faculty of Computing, Engineering and Media, the Centre for Computing and Social Responsibility reported an annual research income of over £800,000, making it the highest-earning of DMU's research institutes and centres. The Institute of Creative Technologies' Audiences of the Future, a £4.8 million project which consists of three transdisciplinary teams across the university, led by Professor Sophy Smith, has continued to collaborate on practice research prototyping projects across virtual reality, Motioncapture and Creative AI, in partnership with the Royal Shakespeare Company, Punchdrunk International and The London Philharmonia.

There have been a number of notable publications in 2020/21, both leading into and following the submission to the Research Excellence Framework in March 2021.

Dr Esmée Hanna collaborated on Science, Society, and Policy in the Face of Uncertainty: Reflections on the Debate Around Face Coverings for the Public during Covid-19; the article had 12,733 views with the pre-print highly anticipated in the Institutional Repository Usage Statistic list for all Covid-19 papers; she also published Disposalscapes: 'Estranged' Limbs After Amputation.

Professor Bernd Stahl published an open access book, Artificial Intelligence for a Better Future: An Ecosystem Perspective on the Ethics of AI and Emerging Digital Technologies. Dr Serena Dyer's Material Lives: Women

Makers and Consumer Culture in the 18th Century was published by Bloomsbury in 2021. Dr Beatriz Pichel published her monograph, Picturing the Western Front: Photography, Practices and Experiences in First World War France, with the University of Manchester Press.

Professor Tim Fulford and Professor Sharon Rushton (University of Nottingham) completed The Collected Letters of Humphry Davy for Oxford University Press.

Professor Jonathan Davies's Between Realism and Revolt: Governing Cities in the Crisis of Neoliberal Globalism came out through Bristol University Press.

In July 2021, the results of the Postgraduate Research Experience Survey firmly established DMU's research student satisfaction in the top half of UK universities. The increase in response rates from 48% (2020) to 52% (2021) reflects an upward trajectory in our research provision overall.





INTERNATIONAL

DMU has developed its international activity despite the challenges caused by the pandemic. We have seen continued demand for international students wanting to come to DMU, only dampened as a result of students being unable to travel. We have also invested in growing our transnational education partners including some significant multi-faculty projects. We have also worked hard to support our international students and partners to help students access remote learning as travel restrictions and national lockdowns impacted the ability for students to access in-person teaching.

International student recruitment had a challenging 2020-21 as a result of restrictions to international travel and anxiety amongst international students during the pandemic. DMU supported international students to study online for its pre-session English language course and on many of its degree programmes throughout the year.

The recruitment of students via progression partnerships remains a key factor in maintaining our successful growth in international student recruitment. The continual development of new partnerships globally not only allows for increased channels through which we can recruit students, but helps build DMU's reputation as an internationally focused institution.

The mitigations we put in place meant we still managed to recruit 83% of our target for 2020-21. Although some markets such as China remain challenging the outlook is positive with strong demand returning.

The outlook for 2021/22 looks positive, with demand in all our markets returning and, in some cases, exceeding pre-pandemic levels, combined with the continued delivery of our Transnational Education Projects (TNE).

Through both our TNE provision and on-campus learning, we are proud to provide a transformational education experience for our graduates. This provides them with an invaluable set of skills and experiences, empowering them to gain an international outlook and pursue successful employment opportunities across the globe. The number of students studying overseas for a DMU award this year saw strong growth of 51% (Higher Education Statistic Agency returns). This would have been stronger had not some partners faced significant national lockdowns which impacted their ability to recruit students. It is anticipated that this growth will return in the coming years.

Work continues in developing the new partners including larger-scale, multi-faculty projects. This includes a new campus in Dubai and DMU engagement with Expo 2020, also in Dubai; there will also be a campus in Kazakhstan. There remain further projects in development.

International Virtual Work Experiences

Students have been provided with opportunities to experience work with international alumni, including in Switzerland and Dubai; other opportunities have been provided through alumni in New York and in the UK.

SOCIAL IMPACT AND ENGAGEMENT

DEVELOPMENT AND ALUMNI ENGAGEMENT

Adam Redfern Fund

Following the recent, untimely passing of DMU alumnus and staff member Adam Redfern, we have worked closely with the Marketing and Communications Team and Adam's parents to establish a memorial fund in Adam's name. The fund will initially be used as a prize fund covering two areas Adam was passionate about, sport and media. There is an agreement in place that, should sufficient funds be raised, the Adam Redfern Scholarship will be created. Adam's parents have donated a sum of £10,000 and through various fundraising and celebration of life events, a further circa £8,000 has been raised. Further fundraising events are planned and an initial target of £20,000 should be attained.

Barclays Grant

A £100,000 grant was awarded by Barclays Bank to aid the university's ongoing drive to support the city of Leicester and the wellbeing of the local community. The grant supports three projects:

- Reducing the Digital Divide: work with Reaching People and Social Box will refurbish, recycle and distribute equipment to recipients in the New Parks area; establish a relationship with Leicester Adult Skills and Learning Service to deliver basic IT skills training sessions delivered with support from DMU volunteers.
- A Germ's Journey: Schoolchildren in Sierra Leone, West Africa, are learning how hand hygiene can help prevent germs from spreading thanks to a new book created by researchers at DMU. The brainchild of education expert Professor Sarah Younie and microbiologist Dr Katie Laird, the 'Germ's Journey' series is a collection of learning resources designed to raise awareness of the importance of hand washing.

Following a research trip to the city of Makeni in Sierra Leone in 2019, funded by Global Challenges Research Fund, Professor Younie and Dr Laird decided to develop a special edition of the book, featuring culturally relevant images, language and references for young children in West Africa. This was officially launched at a special event hosted in partnership with the University of Makeni.

Following the launch, 1,000 copies were shipped out to local schools in the region, with the DMU researchers providing training for teachers on how to use the book as a learning tool.

- Homelessness City Project: The project activity is designed to directly support families and individuals affected by homelessness, enabling them to move out of their current situations with vital materials to support them during the process. The project was nominated for 'The Green Gown Awards'. Its ethos is to bring together a wealth of knowledge and resources from across the sector and beyond.

Each of the three projects supports DMU's strategic goals by ensuring the poorest and most vulnerable communities in Leicester do not become even more vulnerable and disadvantaged. The work is delivered as part of DMU's responsibilities as the United Nations Global Academic Impact hub for the Sustainable Development Goal 16: Peace, Justice and Strong Institutions.



MARKETING AND COMMUNICATIONS

We aim always to deliver effective creative solutions in student recruitment, branding and communications – but 2019/20 was a particular challenge. On top of a UK ‘demographic dip’, Brexit impacting EU applications, and government regulatory U-turns on offer-making, a global pandemic had the potential to undermine safety, finances and reputation.

Using our robust market insight function and real-time insights from The Student Room, the British Council, Universities UK and others, we shaped our response. We transformed our annual applicant survey into an in-cycle applicant tracking survey, with two waves completed in May, one in June, and a final July wave, so we could hear regular views from our applicants and attend to enquirers. It became clear we needed to nurture prospective students, offer reassurance, support, and reduce anxiety about the future.

Our solution was multi-faceted:

- We launched a series of online events using live-streaming software Streamyard, allowing us to offer a two-way conversation and put prospective students directly in touch with those who could answer their questions. Between April and October, we delivered 30 live streams, featuring a mix of students, academics, and admissions staff, generating 2,000 bookings and almost 7,000 views.
- We moved rapidly to an online Open Day in March 2020, when it became clear large gatherings should not go ahead. Our digital Open Day was enhanced throughout 2020 using Streamyard to host concurrent live streams, presentations, demos, Q&As, quizzes and ‘chat show-style’ sessions. We streamed directly to YouTube and social media, delivering content to platforms our audience was already using. Streaming on YouTube allowed us to use its comment and chat functionalities so visitors could engage with each other. Our website was the central hub for the event, providing an easy-to-use interface where visitors could follow a timetable and click into each live talk or event. This removed barriers to engagement and ensured visitors could meet the people they needed to.

- We built the ‘Your DMU Future’ guidance package on our website, providing comprehensive advice on campus life, health and wellbeing, teaching and learning and every aspect of how the university experience would be delivered in a pandemic. It featured opportunities to chat with DMU students and take virtual tours of campus and facilities. The Your DMU Future website had (as of October 2020) more than 170,000 page views.

Our July and September 2020 online events evolved as restrictions eased, with a live virtual campus tour with student ambassadors and a studio panel providing insight. We also developed a scrolling video tour compatible with desktop and mobile and embedded activation points throughout, featuring a student guide.

Events were well received, with a 94% satisfaction rate, comparable to the on-campus events. They were also popular, attracting almost 11,000 visitors.

As a result of focused and innovative work across the team – and despite the challenges facing this recruitment cycle – we delivered positive results, particularly during the Clearing campaign. Digital and offline channels all performed ahead of the previous year, and as a result the Clearing website saw a 150% increase in views. The university also secured positive national media coverage on BBC Newsnight, BBC Radio 2, BBC Radio Five Live, The Telegraph and the Metro, and several pieces on BBC East Midlands Today.

Alongside the need to ensure student recruitment remained buoyant was the essential task of communicating with – and providing vital support to – our current student and staff base, as well as the wider DMU community. Our response to the pandemic was to maximise use of all available channels to disseminate important and rapidly changing messaging at international, national and local level. The ‘Your DMU Safety’ campaign was a significant communications programme with high levels of engagement across the board. The website included over 250 staff FAQs, adapted to the latest guidance, and the site had around 300,000 views (as of October 2020).

Reports for the 2020-21 period, show that undergraduate recruitment to the university exceeded our recruitment target for the year. While Home/EU undergraduate numbers were slightly short of the forecast, higher figures from international undergraduate recruitment pushed us ahead. Similar trends were seen for our postgraduates, with reduced numbers in home/EU postgraduate recruitment, offset by significant growth in international postgraduate recruitment.



LEAGUE TABLE AND STUDENT OUTCOMES INFORMATION

During the academic year, the university saw positive outcomes for the 2019-20 cohort in the following areas:

- A 6.7% increase in the proportion of students achieving a good honours degree (to 79.2%);
- The attainment gap eradicated between disabled and non-disabled students, and disadvantaged and advantaged students;
- The attainment gap closing between black, Asian, minority ethnic and white students by 2.6%;
- Consolidation of student retention at 96.0% (during the disruption caused by the pandemic).

Across the higher education sector, 2020-21 was a challenging year for students. The university took proactive and wide-reaching steps to support staff and students including continuing to innovate and support hybrid learning and remote working.

The university increased the support offered for students in hardship, and piloted one of the first Covid testing sites on a university campus. We reinforced our role in the community during this time, and our staff and students helped contribute more than 2,000 hours of volunteering to help city projects; these ranged from distributing DMU-made personal protective equipment kit to schools, hospitals and care homes, to offering the elderly and isolated friendship. The 2021 National Student Survey (NSS) results (published in July 2021) were disappointing, with the score for Overall Satisfaction for the sector falling by 7.2% to 75.4%. DMU was no exception, also seeing a drop of 13.4%.

During 2020-21, the second release of the Higher Education Statistics Agency's (HESA) new Graduate Outcomes (GO) survey was published, reflecting the views of graduates 15 months after leaving university. These figures show the proportion of DMU graduates in highly skilled employments at 64.5%, below the sector average of 75.3%.

The same period saw DMU careers and employability service, DMU Works, named as the best in a UK university at the National Undergraduate Employability Awards 2021, which celebrate innovation and 'going the extra mile' for students; during the pandemic, DMU Works delivered additional virtual support, launched a careers live chat, increased e-guidance and offered a new CV-checking tool.

The university was also named in the top 10 UK universities for student and graduate start-ups, according to data released by the HESA; some 128 new student and graduate start-ups were launched from DMU in 2019/20.

Across the three major domestic league tables published, DMU was 119th in the Times and Sunday Times Good University Guide; 119th in the Guardian League Table; and 101st in the Complete University Guide.

In the Times Higher Education Impact Rankings, DMU is placed 64th out of 767 universities worldwide; this table captures universities' impact on society, based on their success in delivering the United Nations' Sustainable Development Goals (SDGs). The university is ranked in the top 30 for the SDGs Peace, Justice and Strong Institutions; Responsible Consumption and Production; and Affordable and Clean Energy.

DMU is one of 1,527 institutions from 86 countries featured in the Times Higher Education World University Rankings 2021. The university is ranked between 601-800. DMU is placed in the top 250 universities worldwide for Computer Science; the top 300 universities worldwide for Engineering and Technology; and in the top 400 universities worldwide for Business and Economics.



LOOKING AHEAD – OPPORTUNITIES AND RISKS

The higher education sector continued to manage and respond to unprecedented challenges during 2020-21. The university has worked tirelessly to ensure that the disruption caused to students and staff by the pandemic has been kept to a minimum. This has been achieved, while maintaining the teaching and learning experience our students expect, with a dedicated focus on student and staff health and wellbeing.

Whilst Covid-19 continues to present significant risks to business and delivery models across the sector, focus has now turned towards realising the opportunities offered, alongside managing the risks ahead.

At DMU, risk management is a collective responsibility, overseen by the Risk Management Committee and with strong governance through our University Leadership Board and Audit Committee. This ensures that, at every level – from the Board of Governors to individual risk owners – the university is able to identify, assess and adapt quickly and strategically to threats and opportunities.

Our strategic risk register is aligned to our Strategic Plan, and covers risks associated with the university's key thematic areas. These strategic risks are translated into local requirements and aligned to broader performance management processes. This provides an assurance framework and robust review of the overall university strategic risk register. Risk management, therefore, forms a critical part of the university's structure of internal control, auditing, planning and reporting cycles.

It is because of this active management of risk that the university is able to effectively minimise the threats posed and take advantage of any opportunities that may arise.

The Covid-19 pandemic

The health and wellbeing of staff and students, and ensuring that the student experience was not adversely impacted, have been of critical importance during the Covid-19 pandemic. In response, DMU's major incident plan was engaged to ensure support was given to staff and students during the initial stages. A review of the university's response to the pandemic has been completed and the lessons learnt

through this time have been captured and built into the university's major incident plan and supporting policies.

A dedicated strategic planning group was put in place to transform the educational offer for students, ensuring the proficiency and quality of our offering and to ensure students receive a rich and engaging student experience. The university recognises that students currently within and entering into higher education have suffered major disruption to their learning. As a consequence, the university continues to work to minimise the impact of the pandemic on student experience and learning.

Student recruitment

The Covid-19 pandemic, changes to expected student experience, student demographics, and Level 3 grade inflation have created significant uncertainty within the student recruitment market, with some universities oversubscribed, and others undersubscribed.

To ensure sustainable and manageable student recruitment, the university continues to adapt its strategy through regular reviews of performance metrics, rapid responses to emerging trends, and in maintaining a dynamic approach to recruitment throughout the period. In particular, a new group has been established, which explores the policy and legal aspects of student recruitment and oversees the university's recruitment strategy.

From an international perspective, the university is implementing a number of new measures. This includes additional courses and intakes to be offered from January 2022 targeted at international students, online delivery of Pre-Sessional English courses to ensure continuity of our offer in China and other key regions, and approval of multiple alternative United Kingdom Visa and Immigration compliant English language tests. In addition, conversion activity is being prioritised and engagement continues with in-country teams to support local recruitment efforts and to gauge sentiment globally.

Financial sustainability

The higher education sector faces ongoing significant financial challenges; deep levels of uncertainty prevail, with threats posed to income streams, tuition fees, accommodation, research and commercial activity. In response to the financial challenges arising from the Covid-19 pandemic, the university has put in place the delivering business sustainability programme that will see full recovery over a five-year period, allowing a return to reinvestment of our growth and efficiency opportunities

into strategic priorities. DMU is well placed to emerge from this period of financial instability. With strong financial management already in place, the financial recovery plan will form the core part of our decision-making over the next five years.

With these principles in place, the university remains committed to quality teaching and learning, the safety and wellbeing of students and staff, being a beacon of civic pride and engagement, and emerge even stronger financially.



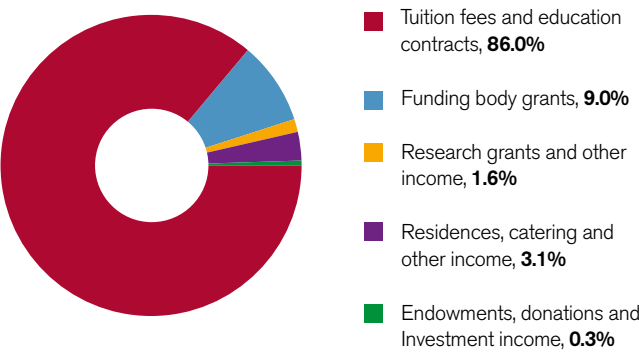
FINANCIAL PERFORMANCE IN 2020-21

The university has achieved a consolidated deficit before tax of £3.7 million (2019-20: £15 million surplus). This result was expected given the financial challenges that have been brought about by Covid-19 and from the UK leaving the European Union. The reduction in income is a result of a competitive recruitment cycle, the disruption in international recruitment and a reduction in residence income. As a result, the University Leadership Board continued to take significant action with tighter expenditure controls introduced as a result of the Covid-19 pandemic. Excluding the pension liability, the total reserves of the university have improved by £6.1 million, underpinned by good working capital management and cash generated from operations leading to healthy level of cash and short-term investments of £119.4 million (2019-20: £123.8 million). A further £28.7 million is held in a portfolio set up during the year to invest funds retained for bond redemption.

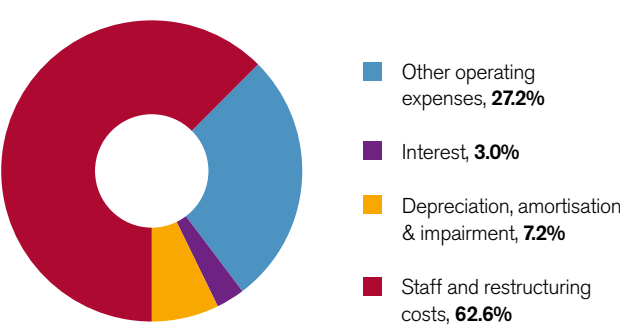
The university's consolidated financial position is summarised as follows:

	2020-21 £'000	2019-20 £'000
Income	234,629	253,853
Expenditure	240,126	238,828
(Deficit)/surplus for the year	(3,681)	15,019
Cash and investments	119,380	123,813
Net current assets	79,106	94,915
Pension provisions	(173,493)	(148,722)
Total net assets/reserves including pension reserve	122,837	141,482

Income analysis for year ended 31 July 2021



Expenditure analysis for year ended 31 July 2021



Total income of £234.6 million decreased by £19.3 million (8%) from 2019/20 and is attributable in the main to a reduction in student recruitment both in Home/EU by £3.5 million (2%) and overseas recruitment by £11.8 million (23%).

The total received in funding body grants increased by £1.3 million (6.5%) to £21.2 million. Of this total, £1.7 million relates to the hardship funding received from the Office for Students in year to provide student support as a result of the pandemic.

All other income has seen a decrease of £2 million (20.6%) due to the impact of the pandemic on residences and catering and lower returns on cash and investments.

Total expenditure of £240.1 million is an increase of £1.3 million (0.5%) from 2019/20. Staff costs account for 62.7% of the total and have increased by £12.1 million (8.8%), the majority of which is related to pension costs (£6.9 million) and wages (£4.8 million) as a result of an increase in employee numbers.

Other operating expenses decreased by £9.9 million (13%). This is a result of net saving on non-essential spend related to physical travel and conference attendance as a result of the pandemic. However, additional costs to student accommodation, hardship funds, marketing, overseas recruitment and supporting additional IT requirements to enable online learning were also incurred.

Interest payable is £0.3 million (5%) lower due to the decrease in net financing costs associated with the Local Government Pension Scheme valuation at the year end.

The depreciation and amortisation charge is £17.2 million (2019/20: £18.6 million including the impairment charge of £1.4 million) reflecting the continued capital investment in refurbishment to buildings, IT infrastructure and student facilities.

The challenging financial year has been met with strong leadership in implementing measures to control expenditure to essential spend only, managing additional costs resulting from the pandemic and continue capital investment in the campus and the IT infrastructure. These actions have contributed to managing the deficit, protecting the cash position and ensuring all debts that fall due are met in full.

Balance sheet

The University's total net asset position has decreased by £18.7 million to £122.8 million due to:

- £24.8 million (16.7%) increase in the Local Government Pension Scheme provision to £173.5 million as a result of lower investment returns and adverse movements in the key actuarial assumptions applied for accounting valuation purposes, and
- £15.8 million decrease in net current assets underpinned by £24.5 million increase in investments and cash balances
- £13.5 million increase in creditors falling due within one year.

The university invested £11.9 million in additions to fixed assets during 2020/21 of which major capital spend included completion of The Yard, refurbishment of Heritage House and New Wharf halls of residence and IT infrastructure for online learning.

Payment of creditors

The university is committed to the prompt payment of invoices from suppliers and supports the Department for Business, Energy and Industrial Strategy's Prompt Payment Code. The aim is to pay invoices in accordance with agreed contractual conditions or, where no such conditions exist, by thirty days from the date of invoice following receipt of goods or services or the presentation of a valid invoice, whichever is the later.

Conclusion

Despite the in-year deficit, the Group maintains a strong balance sheet and reserves. The year has been extremely challenging, however the university's financial standing in ensuring continued investment in enhancing student experience and providing a good platform to manage the financial challenges expected to arise due to the continued impact of the Covid-19 pandemic, the forthcoming White Paper Review and the UK leaving the European Union. The Board is therefore assured that the university has adequate resources to remain in operation for the foreseeable future and at least for the next 12 months from the date of the accounts, which have been prepared on a going concern basis.

Mr Ian Squires
Chair of the Board of Governors

Professor Katie Normington
Chief Executive and Vice-Chancellor

STATEMENT ON CORPORATE GOVERNANCE

Corporate governance

This statement outlines for readers of the financial statements the corporate governance procedures adopted by the Board of Governors, covering the period from 1 August 2020 to 31 July 2021, and the subsequent period up until the date of approval of the financial statements.

During the 2020/21 financial year, the university had completed the vast majority of key actions within the action plan agreed with the Office for Students (OfS) as part of the resolution of its regulatory investigation. Following consultation with the Vice-Chancellor, the OfS had agreed to the amendment of some actions to reflect the university's revised approach and direction since the action plan was agreed.

2020/21 marked the first year in operation of a fully refreshed Board of Governors, following the departure of the remaining governors who had been appointed prior to the regulatory investigation. Five new governors were appointed in August 2020, with a further governor joining the board in November 2020.

In January 2021, the university's new Vice-Chancellor, Professor Katie Normington, commenced in post. During her early months in the role, the Vice-Chancellor had held a number of listening sessions and consultations with governors, staff, students and alumni to develop a co-created new strategy for DMU, as well as the university's mission, vision and values. The university's new strategic plan was launched in autumn 2021.

Following the departure of the previous Chancellor in January 2020, there has been an ongoing recruitment process to appoint a new Chancellor to the university. Nominations for the role were sought from staff and students to ensure that the individual represented the values and culture of the university. It is intended that an appointment will be made by the end of the year.

Summary of the university's structure of corporate governance

The university's objectives, powers and framework of governance are set out in its Instrument and Articles of Government. Under the Instrument and Articles of

Government, the Board of Governors has a range of powers and duties, including the ongoing responsibility for the strategic direction of the university, approval of major developments, approval of annual estimates of income and expenditure, ensuring solvency of the institution, and safeguarding its assets. The business of the board and its committees are run also in accordance with the board's Standing Orders and a Scheme of Delegation.

It is a requirement of the Instrument and Articles of Government that there should be a majority of board members who are independent, and that the board should be comprised of no fewer than 12 and no more than 23 members (including the Vice-Chancellor ex-officio). As of the end of the 2020/21 academic year, the board has a total of 16 members (including the Vice-Chancellor ex-officio), 12 of whom are independent governors as defined by the Instrument and Articles. The remaining four members of the Board of Governors are members of the university's staff and student bodies. Membership of the Board of Governors is considered at the Nominations Committee, based on a skills matrix that allows decisions to be made about governor requirements for the board.

The principal officer is the Vice-Chancellor, who has responsibility to the Board of Governors for the organisation, direction and management of the university. She is also the designated Accountable Officer for the purposes of the university's registration with the OfS. The Vice-Chancellor is supported by the University Leadership Board, which comprises: the Vice-Chancellor; the Deputy Vice-Chancellor; the Registrar (Academic)/Clerk to the Board of Governors, the Chief Finance and Resources Officer, the Pro Vice-Chancellors (Education and Research) (vacant); four Faculty Pro Vice-Chancellor/Deans; the Deputy Pro Vice-Chancellor (Equality, Diversity and Inclusion); the Executive Director of People and Organisational Development; the Executive Director of Marketing and Communications; and the Executive Director of Student and Academic Services.

Conduct of business

The Board of Governors is responsible for, among other matters, the determination of the educational character and mission of the university and for the general oversight of

its activities. It is responsible for approving the university's Strategic Plan.

In the conduct of its formal business, and in addition to two strategic away days, the board meets four times a year. It has a number of formally constituted sub-committees looking at the following areas: Audit; Finance and Performance; People and Culture; Nominations; and Remuneration. Each sub-committee has clearly defined and delegated responsibilities as laid out in its respective terms of reference and via the board's Scheme of Delegation.

The Audit Committee regularly meets with external and internal auditors through their attendance at each meeting of the committee. It considers internal audit reports and recommendations for the improvement of the university's systems of internal control, together with management responses and implementation plans. It has also been responsible for monitoring the university's progress towards the completion of the OfS action plan and continued compliance going forward, and for assessing the effectiveness of the external audit process through review and consideration of the annual audit plan, including key areas of audit risk, the external audit management letter, and meeting with the external auditors as necessary.

The terms of reference of the Audit Committee incorporate its role in monitoring and reporting upon the effectiveness of the university's risk management, data management quality, and value for money processes and procedures. The committee gains assurance that the institution has adequate arrangements in place for ensuring economy, efficiency and effectiveness and for the management and quality assurance of data submitted to the OfS and other funding bodies. It is also responsible for monitoring the university's policy on fraud, ensuring there are satisfactory arrangements in place for handling whistleblowing disclosures, and student complaints.

Following the adoption by the board of a recommendation of an independent governance effectiveness review, the former Finance and Human Resources Committee was divided into two separate bodies from 2020/21: the Finance and Performance Committee and the People and Culture Committee.

The Finance and Performance Committee considers the annual revenue and capital budgets, and monitors performance in relation to the approved budgets and the five-year financial forecast. The committee also reviews and recommends to the board the university's Financial Regulations, financial policies, accounting policies and the annual financial statements. The committee monitors the university's performance in areas including financial sustainability, student recruitment, graduate outcomes, and research activity, among others, and the performance of the university's subsidiary companies, spin-out companies and joint ventures.

The People and Culture Committee considers strategies related to workforce matters, culture and equality, diversity and inclusion, and seeks assurance that the university is compliant with appropriate legislation. The committee ensures that the university has policies and practices in place to support employees to attract, and retain, the highest calibre of talent in the market. The committee seeks assurance on workforce matters on behalf of the Board of Governors, and makes recommendations as appropriate. The committee has monitored the progress of the university's cultural strategy and initiatives as part of that strategy. It also monitors areas such as the gender and race pay gap to ensure the university's approach reflects best practice, and considers workforce risks to ensure mitigations and controls are in place.

The Nominations Committee reviews the membership of the Board of Governors, advising on the skills mix required by the board to fulfil its responsibilities. It also considers the appointment of committee chairs and memberships and the recruitment and nomination of new governors, making recommendations to the Board of Governors as appropriate.

The Remuneration Committee determines the annual remuneration of the Vice-Chancellor and senior post holders, and receives a report on the annual review of other senior academic and professional services staff.

All committees of the board are required to report in some form to the board. They do so in a variety of ways, including the formal submission of their minutes or a summary of outcomes provided by the chairs of the respective committees at board meetings, with key matters reported as substantive

agenda items for discussion. In addition, the Audit Committee, the Finance and Performance Committee and the People and Culture Committee produce an annual report, which are submitted to the Board of Governors for consideration. The Vice-Chancellor also provides an oral report on the broader operation of the university at each board meeting. As appropriate, members of the University Leadership Board are present at meetings of the board to expand, where necessary, on reports and answer questions as they arise and are actively involved in the majority of business at strategic away day meetings of the Board of Governors.

The Board of Governors periodically reviews its own effectiveness in accordance with good practice and CUC guidance. At the conclusion of every meeting, the board and committees consider their performance during the meeting to ensure the board or committee's effectiveness in executing its responsibilities which informs the approach to agenda and business planning at future meetings. As part of its commitments to the OfS under the terms of the action plan, the university embarked upon a further effectiveness review in autumn 2021, a year earlier than recommended by the CUC. The aim of this exercise is principally to conduct a check on progress of the adoption of various recommendations from the previous review. Newly-appointed governors are expected to participate in a robust internal induction programme, tailored to their specific needs and experience, which will include them being made aware of their legal and regulatory obligations, as well as their obligations as a trustee of a charitable institution. Additionally, it is a mandatory requirement of governors that they attend external training offered by independent organisations, to ensure they are aware of wider higher education governance policy developments and best practice. Governors are also encouraged to be proactive in identifying opportunities for any further training or support that might be required to enable them to better fulfil their duties as governors. As part of an annual appraisal process, governors are asked to consider, and discuss with the Chair, any training opportunities of interest, to help inform the Board of Governors' training and development plan. In relation to the conduct of board business, there is considerable opportunity for governors to request additional information through board committees, the board itself, and via the Clerk's Office.

Financial responsibilities of the university's Board of Governors

In accordance with the university's Instrument and Articles of Government, the Board of Governors is responsible for the oversight of the administration and management (by the University Leadership Board) of the affairs of the university and is required to approve audited financial statements for

each financial year. The Board of Governors is responsible for keeping proper accounting records that disclose the financial position of the university and enable it to ensure that the 'financial statements' are prepared in accordance with the university's Instrument and Articles of Government, the Statement of Recommended Practice on Accounting in Higher Education Institutions, and other relevant accounting standards. As a Higher Education Corporation, the board, through its designated Accountable Officer, produces 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. These statements are also submitted to the OfS as part of the Annual Financial Return.

In overseeing the preparation of financial statements, the Board of Governors has ensured, either directly, or via delegated authority to one of its sub-committees, 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 and any material departures disclosed and explained in the financial statements
- Financial statements are prepared on a going concern basis unless it is inappropriate to presume that the University and group will continue in operation.

The Board of Governors has also 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 terms and conditions of funding for higher education institutions
- 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 and prevent and detect fraud
- Secure the economical, efficient and effective management of the university's resources and expenditure

Statement of internal control

Internal control

The key elements of the university's system of internal control, which is designed to discharge the financial responsibilities of the Board of Governors, include:

- Clear definitions of the responsibilities of, and the authority delegated to, senior staff of the university
- A comprehensive short and medium-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets
- Regular reviews of academic performance and of financial results involving variance reporting and updates of forecast out-turns
- Clearly defined and formalised requirements for approval and control of expenditure
- Procedures for the management of investment and risk
- Comprehensive financial regulations, detailing financial controls and procedures, which were reviewed as part of the review of the university's policies and procedures
- A professional internal audit service, whose annual programme is approved by the Audit Committee on behalf of the Board of Governors
- On behalf of the Board of Governors, the Audit Committee reviews the effectiveness of the university's system of internal control

Risk management

The Board of Governors recognises that effective risk management is an essential element in the framework of good governance. The board has continued to develop its risk management systems, ensuring that they are compliant with the OfS Accounts Direction and good practice guidance such as that issued by the Charity Commission and the Financial Reporting Council.

The system of internal control adopted by the board is designed to set the tone, and embed the culture of risk and resilience management across the university. This is achieved through approving the appropriate risk appetite and tolerance levels for the university, and by actively participating in major decisions affecting the university's exposure to risk. It is based on an ongoing process, designed to identify significant risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically to reduce the impact and likelihood of adverse events occurring. This approach enables the board to engage in risk management, rather than elimination, and provide assurance that the risk of failure to achieve policies, aims and objectives is being effectively managed.

The university has in place a risk and enterprise resilience management framework. The university's strategic aims and

operational objectives drive the risk and enterprise resilience of the organisation. This is achieved by:

- 1** Ensuring a focus on risks that threaten the university's business model and strategic aims.
- 2** Establishing key operations and the corresponding institutional appetite for risk for these areas.
- 3** Strengthening the connection between business continuity and crisis management as key aspects of enterprise resilience.
- 4** Scoping internal and external factors to identify changes to the risk landscape

The governance architecture describes the roles and responsibilities of the Board of Governors, Audit Committee and University Leadership Board ensuring clear lines of accountability and communication. To ensure appropriate responses to each risk, owners are assigned who will facilitate the identification, analysis and evaluation of risks. Risk owners proactively and continuously review both internal and external influences, ensuring risk mitigation and controls remain up to date. Should risks fall outside of the set risk tolerance, escalation will occur to the Risk Management Committee, a sub-committee of the University Leadership Board, which would receive its minutes following each meeting. To provide appropriate oversight, the Audit Committee receives quarterly updates to the university's risk landscape, focusing on updates to the university's most significant risks or any risks outside of tolerance.

This process has been cascaded into the university's faculties and directorates, ensuring that there is a consistent and aligned approach to risk management through which risks are managed at the most appropriate level in the institution.

The risk and enterprise resilience policy, which is itself reviewed annually, recommends an annual, independent appraisal of the effectiveness of risk management across the university takes place. This is aligned to existing reporting processes, via the Audit Committee to the Board of Governors, on the effectiveness of internal control systems.

Going concern statement

After a thorough review of the university's financial forecast and cash position, the Board of Governors has a reasonable expectation that the university has adequate resources to continue in operational existence for the foreseeable future.

A financial plan for 2021/22 through to 2025/26 is in place which takes into consideration the anticipated impact of Covid-19, recognising the significant impact it has had on

the university together with required efficiencies and cost management. The updated financial plan for 31 July 2022 reflects the impact of lower than expected student recruitment in 2021/22. The forecasts to 31 July 2022 and 31 July 2023 reflect lower income of £240.2 million and £256.9 million, from £246.4 million and £266.8 million respectively. In response, the university's financial recovery plan sets out savings expected to be realised on activities that continue to be impacted due to Covid-19 and by the lower student intake. This includes travel, utilities and consumable costs as staff transition to hybrid and remote working, tighter controls over staff recruitment including vacancy management and operational efficiency, and cost control primarily through managing discretionary spend which does not have an impact on our ability to meet and maintain our high standards of teaching and research. This is alongside restricting non-essential and non-committed capital expenditure in the next 12 to 18 months of around £9.2million (note 22).

Cashflow projections have been prepared for at least twelve months from the date of approval of these consolidated financial statements and cover the period to 31 July 2023.

Corresponding forecast cash and investment balances are £153.6 million at 31 July 2022 and £145.7 million at 31 July 2023, with lowest cash balance of £108 million during the two years. Assuming a downside scenario with a further decline in fee income of approximately 20% (£40 million) and no direct mitigation for this in 2022/23 would reduce the total income position to £217.6 million. The forecast cash position as at 31 July 2023 in this scenario is £108.3 million.

On this basis, the University is forecast to operate within its available committed facilities, meeting the financial covenant associated with the bond, the debt service ratio.

The projected bond covenant position for 31 July 2022 and 31 July 2023 is 1.7% and 1.6% respectively, with the maximum being 7% before the covenant is breached.

We continue to focus on strengthening the liquidity and balance sheet to place the university in a strong position that will enable it to safeguard its long-term financial sustainability.

Based on the above analysis, it remains appropriate to prepare the consolidated financial statements on a going concern basis.

Members of the Board of Governors who served throughout the year ended 31 July 2021

Their eligibility and attendance as members of the Board of Governors, Audit, Ethics, Finance and Human Resources, Nominations, and Remuneration Committees is shown below:

	Governor attendance at meetings 2020-21	Board meetings		Audit		Finance and Performance		People and Culture		Nominations		Remuneration	
		Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
1	D Buchanan	9	3	–	–	5	1	–	–	–	–	4	2
2	L Capper	9	9	5	4	–	–	–	–	–	–	–	–
3	C Clarke	9	9	–	–	5	5	–	–	–	–	4	4
4	P Clarke	9	9	–	–	5	5	–	–	1	1	–	–
5	A Collop (Interim VC until Jan 2021)	6	6	3	0	2	2	1	1	1	0	–	–
6	F Cownie	8	7	5	5	–	–	–	–	–	–	4	4
7	R Hull	9	9	5	5	–	–	–	–	1	1	–	–
8	M Lalani	7	6	–	–	–	–	2	2	–	–	–	–
9	J Lees	9	9	–	–	–	–	–	–	–	–	–	–
10	S Manikon-Deane	6	3	2	0	–	–	–	–	–	–	–	–
11	P McNicoll	4	3	–	–	–	–	–	–	1	1	–	–
12	K Normington (VC from Jan 2021)	4	4	2	2	3	3	3	3	1	1	–	–
13	S Pierson	9	7	–	–	–	–	4	4	–	–	–	–
14	D Rattanpal	8	8	–	–	–	–	–	–	2	2	–	–
15	J Sanghera	1	0	–	–	–	–	1	0	–	–	–	–
16	A Sawjani	1	1	–	–	–	–	–	–	–	–	–	–
17	B Shears	8	6	–	–	–	–	4	4	–	–	4	4
18	R Snape	9	9	–	–	–	–	–	–	1	1	–	–
19	I Squires	8	8	–	–	5	5	4	3	2	2	4	4
20	P Tansley	8	8	5	5	–	–	–	–	–	–	–	–
21	D Toner	8	6	–	–	5	5	–	–	–	–	–	–



INDEPENDENT AUDITOR’S REPORT TO THE BOARD OF GOVERNORS OF DE MONTFORT UNIVERSITY

Opinion on the financial statements

In our opinion, the financial statements:

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

We have audited the financial statements of De Montfort University (“the University”) and its subsidiaries (“the Group”) for the year ended 31 July 2021, which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit Committee.

Independence

Following the recommendation of the Audit Committee, we were appointed by the board of De Montfort University to audit the financial statements for the year ending 31 July 2021 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is one year, covering the year ending 31 July 2021.

We are independent of the Group and University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the University.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board members’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the boards’ assessment of the Group and the University’s ability to continue to adopt the going concern basis of accounting included:

- Assessment of the internal forecasting process to confirm the projections are prepared by appropriate personnel that are aware of the detailed figures in the forecast but also to have a high level understanding of the University’s market, strategy and profile in the sector, and the ongoing impact that COVID-19 might have on these projections.
- Consideration of the forecasts prepared by management and challenge of the key assumptions based on our knowledge of the business.
- Obtaining and assessing the availability of financing facilities, the nature of facilities and repayment terms through to July 2023.
- We considered management’s financial covenant compliance calculations through to July 2023 and

concluded on the consistency of such calculations with the ratios stated in the relevant lender agreements.

- As referred to in note 1, management has modelled reasonably possible downside scenario to incorporate the ongoing impact of the COVID-19 pandemic. We have considered the appropriateness of the downside scenario in respect of the impact of COVID-19 and challenged management to confirm that they have suitably addressed the inputs, which are most susceptible to change, including those in respect of revenue.
- We confirmed the adequacy of the disclosures in the financial statements against the requirements of the

accounting standards and consistency of the disclosure against the forecasts and stress test scenario.

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 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 members with respect to going concern are described in the relevant sections of this report.

Overview

Coverage	We audit the following within the group: 100% of Group deficit before tax 100% of Group revenue 100% of Group total net assets
Key audit matters	Revenue recognition – tuition fee income Revenue recognition – research grant income
Materiality	Group financial statements as a whole £2,957,000 based on 1.25% of revenue. A specific materiality of £1 was determined for our testing of Head of Provider remuneration.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group’s system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Board that may have represented a risk of material misstatement.

Audit work on all significant components was performed by BDO UK both for the purposes of reporting on the individual financial statements and for group/consolidation purposes.

We identified one component (De Montfort University) which, in our view required an audit of their complete financial information for group purposes due to their size and were therefore considered to be significant components.

De Montfort Expertise Limited was not considered to be a significant component of the Group. Audit work was performed by BDO UK both for the purposes of reporting on the individual financial statements and for group/consolidation purposes.

Key audit matters

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

Key audit matter		How the scope of our audit addressed the key audit matter
Revenue recognition – tuition fee student verification (note 1a)	During the current financial year, we are aware of an ongoing data audit, which at the time of planning was not yet completed.	We selected a sample of students to confirm that there is evidence that the required identity checks have been completed, that the student has been in attendance for the whole of the academic year, the amount billed to the student is in agreement with the published fees for the course for which the student has registered, the income has been recognised in the tuition fee nominal ledger and the student has settled the invoice.
	Due to the level of uncertainty over the accuracy of the underlying data within the student data records, we have selected a significantly larger sample of students for tuition fee testing compared to the amount that would otherwise have been selected. This had a significant impact on the use of resources and the direction of the audit team's efforts, it is considered to be a key audit matter.	Key observation: We noted no exceptions through performing these procedures.
Revenue recognition – research grant income (note 1c)	The University earns income from research activity. Under the FEHE SORP 2019 the treatment of research income depends on the source of the income.	We have substantively tested the recognition of income from research projects. For a sample of research grant income we have:
	In respect of non-government grants, revenue must be accounted for using the performance model. Income must be recognised within the statement of comprehensive income when any performance related conditions are met. This is noted in accounting policy 7iii. The University has chosen to apply the 'percentage of completion' method for recognising commercial research grants as a method to determine the performance model. For grants to be classified as 'commercial research grants' then the output has to be delivered specifically for the funder and have commercial substance and should be recognised in accordance with the revenue recognition principles of Section 16 of the FEHE SORP. This is noted in accounting policy 7iv. Determining revenue recognition of non-government grants requires a significant level of judgement and involvement by senior members of the audit team. We consider revenue recognition of research grant income to be a significant risk and therefore a key audit matter.	<ul style="list-style-type: none">obtained the grant contract and confirmed it is correctly categorised as government or non-government grant in the financial statementsconfirmed that the appropriate income recognition model has been followed for the type of grantconfirmed that the University is entitled to that income based on the contract terms and is accurately recordedconfirmed that a sample of expenditure on these grants is eligible for this grant were this drives income recognition. Cut-off testing and deferred income testing have been performed to gain assurance that income is complete and included in the correct accounting period. Key observation: Based on the audit work performed, we consider the judgements to be reasonable.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take into account the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements	University financial statements
Materiality	£2,957,000	£2,809,000
Basis for determining materiality	1.25% of revenue	1.25% of revenue, restricted to 95% of Group financial statement materiality
Performance materiality	£1,774,200	£1,685,400
Basis for determining performance materiality	60% of materiality	60% of materiality

A specific materiality of £1 was determined for our testing of Head of Provider remuneration.

further applied performance materiality levels of 60% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Rationale for the materiality benchmark applied

The benchmark used for the current year materiality is revenue. Revenue is of particular interest to the users of the financial statements as the success of both research and student enrolment is linked to this figure.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £59,140. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Component materiality

A full scope statutory audit was carried out for each subsidiary. We set materiality for each component dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £93,000 to £2,809,000. In the audit of each component, we

Other information

The governors are responsible for the other information. Other information comprises the information included in the Annual Report, other than the financial statements and our auditor's

report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

In our opinion, in all material respects:

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

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

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

Responsibilities of the governors

As explained more fully in the Board of Governors responsibilities statement set out on page 48, the 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 the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governors are responsible for assessing the Group and the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intends to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Group and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations are related to their registration with the Office for Students ("OfS) and their ongoing conditions of registration, and we considered the extent to which non-compliance might have a material effect on the Group Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the OfS Accounts Direction and tax legislation.

We evaluated 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 inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. Areas of identified risk are then tested substantively;
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to: the bad debt provision where we have recalculated the provision as well as creating a BDO benchmark provision to ensure we were materially satisfied with the provision; reviewing the Useful Economic Lives of tangible and intangible assets to assess whether they were reasonable and in line with other Higher Education Institution's; and we have sought third party actuary confirmation of the appropriateness of the pension assumptions;
- Identifying and testing journal entries, in particular any journal entries posted by staff members with privilege access rights, and journals posted by or relating to the Vice Chancellor or Chief Finance and Resources Officer;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and relevant regulators to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

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

Use of our report

This report is made solely to the University governors, as a body, in accordance with Section 75 of the Higher Education Research Act 2017. Our audit work has been undertaken so that we might state to the University's governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the governors as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Kyla Bellingall

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Kyla Bellingall (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham
Date: **21 January 2022**

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently throughout the period to items that are considered material in relation to the accounts. These accounting policies have been reviewed by the Board of Governors and are considered to be appropriate to the university's activities.

1. BASIS OF PREPARATION

These financial statements have been prepared on a going concern basis which the Governing Body believe to be appropriate for the following reasons:

A financial plan for 2021/22 through to 2025/26 is in place which takes into consideration the anticipated impact of Covid-19, recognising the significant impact it has had on the university together with required efficiencies and cost management. The updated financial plan for 31 July 2022 reflects the impact of lower than expected student recruitment in 2021/22. The forecasts to 31 July 2022 and 31 July 2023 reflect lower income of £240.2 million and £256.9 million, from £246.4 million and £266.8 million respectively. In response, the university's financial recovery plan sets out savings expected to be realised on activities that continue to be impacted due to Covid-19 and by the lower student intake. This includes travel, utilities and consumable costs as staff transition to hybrid and remote working, tighter controls over staff recruitment including vacancy management and operational efficiency, and cost control primarily through managing discretionary spend which does not have an impact on our ability to meet and maintain our high standards of teaching and research. This is alongside restricting non-essential and non-committed capital expenditure in the next 12 to 18 months of around £9.2million (note 22).

Cashflow projections have been prepared for at least twelve months from the date of approval of these consolidated financial statements and cover the period to 31 July 2023. Corresponding forecast cash and investment balances are £153.6 million at 31 July 2022 and £145.7 million at 31 July 2023, with lowest cash balance of £108 million during the two years. Assuming a downside scenario with a further decline in fee income of approximately 20% (£40 million) and no direct mitigation for this in 2022/23 would reduce

the total income position to £217.6 million. The forecast cash position as at 31 July 2023 in this scenario is £108.3 million.

On this basis, the University is forecast to operate within its available committed facilities, meeting the financial covenant associated with the bond, the debt service ratio. The projected bond covenant position for 31 July 2022 and 31 July 2023 is 1.7% and 1.6% respectively, with the maximum being 7% before the covenant is breached.

We continue to focus on strengthening the liquidity and balance sheet to place the university in a strong position that will enable it to safeguard its long-term financial sustainability.

Based on the above analysis, it remains appropriate to prepare the consolidated financial statements on a going concern basis.

2. ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention in accordance with Financial Reporting Standard 102 (FRS 102) as interpreted by the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019. The university complies with the Office for Students (OfS) Accounts Direction.

3. ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing these financial statements, management has made the following judgements:

i) Impairment of tangible assets

To determine whether there are indicators of impairment within the group's tangible assets, factors taken into consideration in reaching such a decision include, the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. Where there are indicators of impairment, a full impairment review is undertaken which compares value in use with market value.

ii) Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives, considering residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation and maintenance programmes are considered

Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

iii) Intangible Assets

Intangible assets (software) are amortised on a straight line basis over their estimated useful lives. The useful lives and residual values are assessed annually after considering a number of factors such as technology innovation.

iv) Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note (25d) in the Annual Accounts, will impact the carrying amount of the pension liability.

Furthermore, a roll forward approach, which projects results from the latest full actuarial valuation performed at 31 March 2019, has been used by the actuary in valuing the pensions liability at 31 July 2021.

Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

v) Bad and doubtful debts

A provision for bad and doubtful debts is calculated using a formula based on the age of the overdue debt. The formula is applied consistently from year to year but necessarily requires a degree of estimation. Specific provision is made for individual debts where recovery is deemed to be uncertain and this requires an element of judgement.

vi) Retirement benefit obligations

The university also operates within two schemes that are accounted for as defined contribution schemes – the Universities Superannuation Scheme (USS) and the Teachers' Pension Scheme (TPS). These are accounted for as defined contribution schemes as insufficient information

is available to identify the university's share of the underlying assets and liabilities.

As the university is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The USS deficit recovery plan defines the deficit payment required as a percentage of future salaries until 2031. 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. See note 25c.

4. TANGIBLE FIXED ASSETS

i) Measurement at initial recognition

Tangible assets are capitalised if they are capable of being used for a period that exceeds one year and:

- Individually have a cost equal to or greater than £10,000 or
 - Collectively have a cost equal to or greater than £10,000 where the assets are functionally interdependent or are purchased together and intended to be used as group under common management control
- or
- Irrespective of their individual cost, form part of the initial equipping of a new building

ii) Measurement after initial recognition

Land and buildings inherited from Leicestershire County Council on 1 April 1989, and prime teaching buildings, that had been revalued to fair value on 30 May 2012, are measured at deemed cost, being the revalued amount at the date of that revaluation, less depreciation since that date.

All other tangible fixed assets are stated at cost.

Assets held for resale are stated at the lower of cost or net realisable value.

A review for impairment of buildings is carried out annually. If events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable, an impairment charge is made to the Consolidated Statement of Comprehensive Income.

Componentisation is built into the asset lives of the buildings. When significant components are replaced, they have their asset lives individually assessed.

iii) Depreciation

Land is not depreciated. Freehold property is depreciated over expected useful life on a straight-line basis. For existing properties, new construction and major renovations, the expected useful life is based on an external appraisal and reflects all of the buildings' major components. Refurbishment projects are depreciated over 20 years.

Leasehold property, including improvements to leasehold property, and other leased assets are depreciated over the life of the lease. Other tangible assets are depreciated on a straight-line basis over their useful life as follows:

Equipment	Lifespan
Computer equipment	Three years
Other equipment and furniture	Five years
Equipment acquired for specific projects	Over the life of the project (generally three years)
Expenditure which extends useful life	Over additional useful life

Buildings	Lifespan
University-owned buildings	Over expected useful life (20 to 50-plus years)
Leasehold property	Over life of lease

New buildings and major refurbishments to buildings are depreciated from the month in which they are put into service. All other assets are depreciated from the month after they are put into service. No depreciation is charged on assets in the course of construction. Depreciation on disposals is provided up to the month before the asset is taken out of use.

iv) Funded tangible fixed assets

Where assets are acquired with the aid of specific grants or donations they are capitalised and depreciated as above.

All non-government grants are recognised in the Consolidated Statement of Comprehensive Income as donations, as performance criteria are met.

Government grants and donations are treated as deferred capital grants held on the balance sheet and released to income over the expected useful life of the asset (or the period of the grant in respect of specific projects).

Grants received in respect of land are released to the Consolidated Statement of Comprehensive Income and shown under 'Donations and Endowments' when performance-related conditions are met.

v) Tangible donated fixed assets

Tangible fixed assets other than land that have been donated to the university are capitalised at market value.

All non-government donations are released to the Consolidated Statement of Comprehensive Income as donations.

Government donations are treated as deferred capital grants. Assets are depreciated over their estimated useful lives, and a corresponding amount is released from deferred capital grants to the Consolidated Statement of Comprehensive Income.

vi) IT equipment and software licences

IT equipment, such as personal computers and related items, are purchased in bulk through the university's central purchasing and supply system. These items are capitalised as a single group of equipment and depreciated in accordance with i) and iii) above.

IT software licences are treated as a revenue cost and are charged to the Consolidated Statement of Comprehensive Income in the year of purchase.

IT software development is treated as an intangible asset.

vii) Maintenance of premises

The cost of routine maintenance is charged to the Consolidated Statement of Consolidated Income in the period in which it is incurred. The university has a long-term planned maintenance programme, which is reviewed on an annual basis. The university charges actual expenditure on long-term planned maintenance to the Consolidated Statement of Consolidated Income in the period in which it is incurred.

viii) Heritage assets

Heritage assets are defined as assets that are held principally for their contribution to knowledge and culture.

An independent antiques and fine art assessor valued the heritage assets as at 12 March 2016 on the basis of the value for insurance purposes. Those assets, which are valued either individually or as a group at or in excess of £10,000, are recognised in the Balance Sheet at deemed cost, being this valuation.

Heritage assets are not depreciated since their long economic life and high residual value are an indication that any depreciation charge is immaterial. They are subject to an annual impairment review at the reporting date. They are maintained and the cost of maintenance charged to the Consolidated Statement of Comprehensive Income as incurred. A revaluation has not been performed based on our assessment, that this cannot be obtained at a cost which is commensurate with benefits to the user of the financial statements.

5. INTANGIBLE ASSETS

Intangible assets are recorded at cost and amortised over their expected useful life as follows:

Intangible asset	Lifespan
Software	Over expected useful life (3 to 10 years)

6. LEASES

Leases in which the university assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets held under finance leases and the related lease obligations are

recorded in the Balance Sheet at the fair value of the leased assets at the inception of the lease. The excess of the lease payments over recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligations.

Rental costs under operating leases are charged to the Consolidated Statement of Comprehensive Income in equal amounts over the periods of the leases. Any lease premiums or incentives are spread over the minimum lease term.

7. REVENUE

i) Tuition fees

Revenue from tuition fees represents student fees received and receivable that are attributable to the studies undertaken in the current accounting period. Where the amount of the tuition fee is reduced by a discount then the income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

ii) Funding body grants

Income from Office for Students (OfS) recurrent grants is in support of general or specific revenue activities of the university. The income is credited direct to the Consolidated Statement of Comprehensive Income on an accruals basis.

Other government grant income is recognised on a systematic basis using the 'percentage of completion' method. Income is recognised based on costs expended during the period.

Government capital grants and contributions received by the university to finance the construction or purchase of capital assets are accounted for as deferred capital grants and released to the Consolidated Statement of Comprehensive Income over the expected useful life of the related assets (or the period of the grant in respect of specific projects).

Grants received in respect of land are released to the Consolidated Statement of Comprehensive Income as donations in the year in which performance conditions are met.

Deferred income in respect of the OfS capital grant, which is attributable to subsequent years, is shown and is reported under creditors due within one year and falling due after more than one year in the Balance Sheet.

iii) Research grants and contracts

Other grants and donations from non-government sources, including research grants from non-government sources, are released to the Consolidated Statement of Comprehensive Income as performance criteria are met. Those transactions under £100,000 are released on an accruals basis. These are shown under research grants and contracts.

iv) Commercial research and consultancy revenue

Revenue from commercial research contracts, consultancy and other services rendered is recognised using the 'percentage of completion' method and is shown under 'Research'.

v) Investment Income

All income from short-term deposits and endowment asset investments is credited to the Consolidated Statement of Consolidated Income on a receivable basis and is shown under 'Investment Income'.

vi) Donations and Endowments

Non-exchange transactions without performance-related conditions are donations and endowments.

Endowment assets are reported under investments and cash and cash equivalents.

vii) Donations with no restrictions

Charitable donations with no restrictions are recognised in the Consolidated Statement of Comprehensive Income when the charitable donation has been received or if, before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability. This includes all donations under £1,000.

viii) Donations and endowments with restrictions

Where charitable donations are to be retained for the benefit of the institution as specified by the donors, these are accounted for as restricted reserves with additional disclosure provided within the notes to the accounts.

There are four main types:

Unrestricted permanent endowments

The donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the institution. Income is recognised on entitlement. Investment returns are recognised immediately and held within the endowment reserve, to the extent that it has not been spent.

Restricted expendable endowments

The donor has specified a particular objective and the donation is expected to be spent over a period of at least 24 months. These are recorded in the Consolidated Statement of Comprehensive Income on entitlement and retained within a restricted endowment reserve until such time that expenditure is incurred in line with the restriction. The university applies a de-minimis of £5,000 for expendable endowments.

Donations with restrictions

The donation doesn't meet the expendable endowment criteria where the general use of the funds is specified by the donor. These are recorded in the Consolidated Statement of Comprehensive Income on entitlement and retained within a restricted reserve until such time that expenditure is incurred in line with the restriction.

Restricted permanent endowments

The donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective. Income is recognised on entitlement. Investment returns are recognised immediately and held within the endowment reserve, to the extent that it has not been spent.

Income from restricted endowments not expended in accordance with the restrictions of the endowment is transferred from the Consolidated Statement of Comprehensive Income to restricted endowments. Any realised gains or losses from dealing in the related assets are retained within the endowment in the Balance Sheet.

ix) Donations for fixed assets

All non-government donations are released to the Consolidated Statement of Comprehensive Income as donations. Government donations are treated as deferred capital grants.

Donations received to be applied to the cost of land are recognised by inclusion as 'Donations' in the Consolidated Statement of Comprehensive income.

x) Gifts in kind, including donated tangible fixed assets

Gifts in kind are included in 'other income' or 'deferred capital grants' as appropriate using a reasonable estimate of their gross value or the amount actually realised.

xi) Other income

Other 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 customers or the terms of the contract have been satisfied.

8. STOCK

Stocks are stated at the lower of cost and net realisable value. Consumable items are charged directly to the Consolidated Statement of Comprehensive Income. The first in, first out (FIFO) method is used for costing stock.

9. INCOME TAX

Taxation status

The institution is an exempt charity within the meaning of part 3 of the Charities Act 2011 (formerly schedule 2 of the Charities Act 1993) and does pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the institution is potentially exempt from taxation in respect of income or capital gains received within categories covered by 478-488 of the Corporation Tax Act 2010 (CTA2010) 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.

All subsidiary companies are liable to Corporation Tax and Value Added Tax in the same way as any other commercial organisation.

10. DEFERRED TAXATION

Provision is made for deferred taxation in respect of subsidiary companies, using the liability method on all material timing differences.

11. EMPLOYEE BENEFITS

i) Short-term employee benefits

Short-term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employee renders the 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.

ii) Post-employment benefits

Retirement benefits to employees of the university are provided by defined benefit schemes that are funded by contributions from the university and employees.

Payments are made to the Teachers' Pension Scheme and the Universities Superannuation Scheme for academic staff and to the Local Government Pension Scheme for support staff. These are all independently administered schemes. Pension costs are assessed on the latest actuarial valuations of the schemes.

For the Local Government Pension Scheme, the assets of the scheme are included at closing market value and scheme liabilities are measured on an actuarial basis using the projected unit credit method. The difference between the fair value of assets and liabilities measured on an actuarial basis, net of the related amount of deferred tax, is recognised in the university's balance sheet as a pension scheme liability or asset as appropriate. A surplus is only included to the extent that the university is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme. The following are recognised in the Consolidated Statement of Comprehensive Income:

- a) Changes in the defined asset or liability arising from factors other than cash contributions to the scheme
- b) Actuarial gains and losses
- c) Interest charges/returns by applying the discount rate to the net pension deficit/surplus

The Teachers' Pension Scheme and the Universities Superannuation Scheme are multi-employer schemes where the university is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Contributions are charged directly to the Consolidated Statement of Comprehensive Income as if the schemes were a defined contribution scheme.

Provision is made for enhanced pensions where employees have taken early retirement.

Also, a provision is made for any contractual commitment to fund any past deficits within the Universities Superannuation Scheme.

12. BASIS OF CONSOLIDATION

The Consolidated Statement of Comprehensive Income and Balance Sheet include the annual accounts of the corporation and its operating subsidiary undertakings. Details of the university's subsidiary undertakings are provided in the notes to the accounts. Intra-group transactions are eliminated on consolidation.

The consolidated financial statements do not include those of De Montfort University Students' Union Limited, as it is a

separate limited company over which the university does not exert control or dominant influence over policy decisions.

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

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

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an immaterial risk of changes in value i.e. price risk. Cash and cash equivalents consist of cash on hand, demand deposits and short-term deposits/highly liquid investments, less bank overdrafts, which are repayable on demand. Short-term deposits and investments are those with an outstanding maturity of three months or less.

The university regularly reviews its aged accounts receivable and records an impairment for its estimate of unrecoverable items.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures are initially measured at fair value, which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the statement of comprehensive income.

Where the investment in equity instruments are not publicly traded and where the fair value cannot be reliably measured the assets are measured at cost less impairment.

Other investments in debt and equity securities held by the university are classified as being 'available for sale' and are stated at fair value, with any resultant gain or loss being recognised directly in equity (in the fair value reserve), except for impairment losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the Consolidated Statement of Comprehensive Income. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

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. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

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

Bonds and long-term borrowings are recognised initially at fair value less attributed transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

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

14. INTEREST PAYABLE

Interest is capitalised on borrowings to finance major property development to the extent that it accrues in respect of the period of development. Such costs are capitalised as part of the specific asset.

Other interest payable is charged to the Consolidated Statement of Comprehensive Income.

15. STAFF RESTRUCTURING COSTS

Restructuring costs are recognised in respect of the direct expenditure of a reorganisation, where plans are sufficiently detailed and well advanced, and where appropriate communication to those affected has been undertaken at the Balance Sheet date.

16. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

17. FOREIGN CURRENCIES

The consolidated financial statements are presented in pounds sterling, which is the group's functional and presentation currency. The group does not include any foreign entity. Transactions denominated in foreign currencies are recorded at the exchange rate on the transaction date, while assets and liabilities are translated at exchange rates at the Balance Sheet date. The resulting exchange rate differences are recognised in the Consolidated Statement of Comprehensive Income.

18. INVESTMENT PROPERTIES

An investment property can comprise land, buildings or part of a building and is one that is used to earn rentals or for capital appreciation or for both, rather than for the supply of goods or services. Property that is used with a

primary purpose of supporting education does not meet the definition of an investment property and is accounted for as a tangible fixed asset.

Mixed use property is separated between investment property and fixed assets where rental income is considered material. Where the fair value of the investment property component cannot be measured reliably without undue cost or effort the entire property is accounted for as a tangible fixed asset.

After initial recognition at cost, an investment property is measured at fair value, with any changes in fair value recognised immediately within gains or losses on investments in the Consolidated Statement of Comprehensive Income. Investment properties are not depreciated but are revalued or reviewed as at 31 July each year.

Rentals received in relation to investment properties are credited to Investment Income.

Consideration of whether or not a property is an investment property is made at both the individual entity and consolidated accounts level.

19. OPERATING SEGMENTS

Information about income, expenditure and assets attributable to material operating segments are presented on the basis of the nature and function of services undertaken by the group rather than geographical location. As permitted by IFRS 8 this is appropriate on the basis of the similarity of the services provided, the nature of the risks associated, the type and class of customer and the nature of the regulatory environment across all of the geographical locations in which the group operates. No specific segments are reported internally for management purposes but relevant information is disclosed in the financial statements as part of the analysis of income in Note 1 and expenditure in Note 5. Assets and liabilities are not reported by operating segment.

CONSOLIDATED AND CORPORATION STATEMENT
OF COMPREHENSIVE INCOME FOR THE YEAR
ENDED 31 JULY 2021

		Group 2021 £'000	Group 2020 £'000	Corporation 2021 £'000	Corporation 2020 £'000
Income	Notes				
Tuition fees and education contracts	1a	201,889	220,052	201,889	219,958
Funding body grants	1b	21,161	19,899	21,161	19,899
Research grants and contracts	1c	3,653	3,956	3,561	3,842
Other income	1d	7,266	9,040	7,081	8,913
Investment income	1e	533	817	531	813
Donations and endowments	1f	127	89	127	89
Total income		234,629	253,853	234,350	253,514
Expenditure					
Staff costs	2	149,866	137,693	149,596	137,387
Staff restructuring costs	2e	483	299	483	299
Other operating expenses	3	65,280	75,183	65,271	75,150
Interest and other finance costs	4	7,274	7,035	7,274	7,035
Intangible amortisation	7	4,142	4,329	4,142	4,329
Depreciation	8	13,081	12,911	13,081	12,911
Impairment		–	1,378	–	1,378
Total expenditure	5	240,126	238,828	239,847	238,489
(Deficit)/surplus before other gains/(losses)		(5,497)	15,025	(5,497)	15,025
Gain on investments		1,830	3	1,830	3
(Deficit)/surplus before tax		(3,667)	15,028	(3,667)	15,028
Taxation	6	(14)	(9)	(14)	(9)
(Deficit)/surplus for the year		(3,681)	15,019	(3,681)	15,019
Actuarial loss in respect of pension schemes	25d	(14,964)	(50,897)	(14,964)	(50,897)
Total comprehensive expenditure for the year		(18,645)	(35,878)	(18,645)	(35,878)
Represented by:					
Endowment comprehensive income for the year		245	52	245	52
Restricted comprehensive income for the year		–	–	–	–
Unrestricted comprehensive income for the year		(18,890)	(35,764)	(18,890)	(35,764)
Revaluation reserve comprehensive income for the year		–	(166)	–	(166)
		(18,645)	(35,878)	(18,645)	(35,878)

CONSOLIDATED AND CORPORATION STATEMENT
OF CHANGES IN RESERVES FOR THE YEAR
ENDED 31 JULY 2021

	Income and expenditure account				
	Endowment	Restricted	Unrestricted	Revaluation reserve	Total
Group	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2020	2,315	57	138,049	1,061	141,482
Surplus/(deficit) for the year	245	–	(3,926)	–	(3,681)
Other comprehensive income	–	–	(14,964)	–	(14,964)
Transfers between revaluation and income and expenditure reserve	–	–	–	–	–
Total comprehensive income for the year	245	–	(18,890)	–	(18,645)
Balance at 31 July 2021	2,560	57	119,159	1,061	122,837

	Income and expenditure account				
	Endowment	Restricted	Unrestricted	Revaluation reserve	Total
Group	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2019	2,263	57	173,813	1,227	177,360
Surplus for the year	52	–	14,967	–	15,019
Other comprehensive income	–	–	(50,897)	–	(50,897)
Transfers between revaluation and income and expenditure reserve	–	–	166	(166)	–
Total comprehensive income for the year	52	–	(35,764)	(166)	(35,878)
Balance at 31 July 2020	2,315	57	138,049	1,061	141,482

	Income and expenditure account				
	Endowment	Restricted	Unrestricted	Revaluation reserve	Total
Corporation	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2020	2,315	57	137,792	1,061	141,225
Surplus/(deficit) for the year	245	–	(3,926)	–	(3,681)
Other comprehensive income	–	–	(14,964)	–	(14,964)
Transfers between revaluation and income and expenditure reserve	–	–	–	–	–
Total comprehensive income for the year	245	–	(18,890)	–	(18,645)
Balance at 31 July 2021	2,560	57	118,902	1,061	122,580

	Income and expenditure account				
	Endowment	Restricted	Unrestricted	Revaluation reserve	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2019	2,263	57	173,556	1,227	177,103
Surplus for the year	52	–	14,967	–	15,019
Other comprehensive income	–	–	(50,897)	–	(50,897)
Transfers between revaluation and income and expenditure reserve	–	–	166	(166)	–
Total comprehensive income for the year	52	–	(35,764)	(166)	(35,878)
Balance at 31 July 2020	2,315	57	137,792	1,061	141,225

CONSOLIDATED AND CORPORATION STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2021

	Notes	Group 2021 £'000	Group 2020 £'000	Corporation 2021 £'000	Corporation 2020 £'000
Non-current assets					
Intangible assets	7	20,623	24,464	20,623	24,464
Tangible fixed assets	8	291,624	292,822	291,624	292,822
Heritage assets	9	1,073	1,073	1,073	1,073
Investments	10	29,975	1,085	30,285	1,395
Total non-current assets		343,295	319,444	343,605	319,754
Current assets					
Stocks	11	116	115	116	115
Trade and other receivables	12	17,750	15,614	17,442	16,498
Investments	13	40,000	69,016	40,000	69,016
Cash and cash equivalents	20	79,380	54,797	79,371	53,914
Total current assets		137,246	139,542	136,929	139,543
Less: Creditors: amounts falling due within one year	14	(58,140)	(44,627)	(58,390)	(45,195)
Net current assets		79,106	94,915	78,539	94,348
Total assets less current liabilities		422,401	414,359	422,144	414,102
Creditors: amounts falling due after more than one year	15	(121,730)	(121,737)	(121,730)	(121,737)
Provisions					
Pension provisions	25d	(173,493)	(148,722)	(173,493)	(148,722)
Other provisions	16	(4,341)	(2,418)	(4,341)	(2,418)
Total net assets		122,837	141,482	122,580	141,225
Restricted reserves					
Income and expenditure reserve - endowment fund	17	2,560	2,315	2,560	2,315
Income and expenditure reserve - restricted reserve	18	57	57	57	57
Unrestricted reserves					
Income and expenditure reserve - unrestricted		119,159	138,049	118,902	137,792
Revaluation reserve		1,061	1,061	1,061	1,061
Total unrestricted reserves		120,220	139,110	119,963	138,853
Total reserves		122,837	141,482	122,580	141,225

The financial statements on pages 70 to 93 were approved by the Board of Governors on 13 January 2022 and were signed on its behalf by



Mr Ian Squires
Chair of the Board of Governors



Professor Katie Normington
Chief Executive and Vice-Chancellor

This statement should be read in conjunction with the report of the Chairman, the Operating and Financial Review and Notes to the Accounts

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
(Deficit)/surplus for the year before taxation		(3,667)	15,028
Adjustment for non-cash items			
Depreciation	8	13,081	12,911
Amortisation of intangible assets	7	4,142	4,329
Impairment		–	1,378
Gain on investments		(1,830)	(3)
(Increase) in stock		(1)	(16)
(Increase) in debtors		(2,135)	(364)
Increase/(decrease) in creditors		13,128	(4,375)
Increase in pension provision	25	7,522	4,328
Increase/(decrease) in provisions		1,905	(1,360)
Adjustment for investing or financing activities			
Investment income	1e	(533)	(817)
Interest payable	4	7,274	7,035
Endowments received	17	(127)	(87)
Capital grants income		(1,886)	(1,701)
Cash inflow from operating activities		36,873	36,286
Taxation		(14)	(9)
Net cash inflow from operating activities		36,859	36,277
Cash flows from investing activities			
Capital grants receipts		2,130	1,242
Non-current investment disposal		–	166
Withdrawal from/(to) deposits		29,016	(3,016)
Investment income		533	817
Payments made to acquire tangible assets		(11,883)	(16,301)
Payments made to acquire intangible assets		(301)	(265)
Payments made to acquire non-current investments		(27,060)	–
Net cash outflow from investing activities		(7,565)	(17,357)
Cash flows from financing activities			
Interest paid		(4,838)	(4,838)
New endowments		127	87
Net cash outflow from financing activities		(4,711)	(4,751)
Increase in cash and cash equivalents in the year		24,583	14,169
Cash and cash equivalents at the beginning of the year		54,797	40,628
Cash and cash equivalents at the end of the year		79,380	54,797
Increase in cash and cash equivalents in the year		24,583	14,169

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2021

1. Analysis of income	Group 2020/21 £'000	Group 2019/20 £'000	Corporation 2020/21 £'000	Corporation 2019/20 £'000
a) Tuition fees and education contracts				
Home and EU students	158,696	162,235	158,696	162,149
Overseas students	39,344	51,109	39,344	51,109
Education contracts	1,824	4,541	1,824	4,533
Other contracts	2,025	2,167	2,025	2,167
Total	201,889	220,052	201,889	219,958
b) Funding body grants				
Recurrent grants				
Office for Students	15,283	15,710	15,283	15,710
Education and Skills Funding Agency	358	503	358	503
Specific grants				
Higher Education Innovation Fund	935	1,039	935	1,039
Connection Capability Fund	1,007	972	1,007	972
Hardship Funding	1,718	–	1,718	–
Release of capital grants				
Buildings	915	906	915	906
Equipment	945	769	945	769
Total	21,161	19,899	21,161	19,899
c) Research grants and contracts				
Research councils	764	845	764	845
UK-based charities	613	505	613	505
European Commission	1,296	1,218	1,296	1,218
Other grants and contracts	980	1,388	888	1,274
Total	3,653	3,956	3,561	3,842
d) Other income				
Residences and catering	1,529	2,031	1,529	2,031
Other services rendered	988	2,062	560	1,126
Other income	4,723	4,921	4,966	5,730
Other capital grants	26	26	26	26
Total	7,266	9,040	7,081	8,913
Other income includes £582,825 (2019: £812,321) in relation to Coronavirus Job Retention Scheme.				
e) Investment income				
Interest from short-term investments	254	776	252	772
Interest from long-term investments	240	–	240	–
Income from restricted expendable endowments	7	9	7	9
Income from restricted permanent endowments	32	32	32	32
Total	533	817	531	813
f) Donations and endowments				
New endowments	127	87	127	87
Donations with restrictions	–	2	–	2
Total	127	89	127	89
Total income	234,629	253,853	234,350	253,514

1. Analysis of income	Group 2020/21 £'000	Group 2019/20 £'000	Corporation 2020/21 £'000	Corporation 2019/20 £'000
g) Grant and fee income				
Grant income from the OfS	20,154	18,927	20,154	18,927
Grant income from other bodies	1,007	972	1,007	972
Fee income for research awards	3,653	3,956	3,561	3,842
Fee income from non-qualifying courses	2,025	2,167	2,025	2,167
Fee income for taught awards	199,864	217,885	199,864	217,791
Total	226,703	243,907	226,611	243,699
2. Staff costs	Group 2020/21 £'000	Group 2019/20 £'000	Corporation 2020/21 £'000	Corporation 2019/20 £'000
a) Staff costs				
Wages and salaries	107,656	102,898	107,386	102,592
Social security costs	11,006	10,473	11,006	10,473
Other pension costs	23,714	21,022	23,714	21,022
Movement on USS pension provision	(32)	(1,028)	(32)	(1,028)
The financial effects of LGPS pension scheme	7,522	4,328	7,522	4,328
Total	149,866	137,693	149,596	137,387
b) Employee numbers				
The average number of persons employed during the year, expressed as full-time equivalents, are disclosed below:	2020/21	2019/20		
Academic				
Full-time	1,015	958		
Part-time	235	262		
Support	1,381	1,292		
Total	2,631	2,512		
c) Vice-Chancellor emoluments				
i) Vice-Chancellor				
The remuneration of the Vice-Chancellor is detailed below. The current year relates to the period of 1 January 2021 to 31 July 2021.				
	2020/21 £'000	2019/20 £'000		
Salary	129	–		
Health insurance	1	–		
Total excluding pension contributions	130	–		
Pension contributions to USS	27	–		
Total emoluments	157	–		

The emoluments, including taxable benefits, of the Vice-Chancellor are shown on the same basis as for higher paid staff and exclude employer's National Insurance contributions.

The Contract of Employment of the Vice-Chancellor provides for termination by the Corporation on giving four months' notice.

The Vice-Chancellor took a voluntary 10% pay reduction in light of the Covid-19 situation. The disclosure above reflects the reduced salary.

Relationship between Vice-Chancellor remuneration and other employees

The Vice-Chancellor's basic salary is 6.3 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the institution to its staff. The ratio reflects the full year basic salary equivalent for the Vice-Chancellor and does not take into account the voluntary pay reduction.

The Vice-Chancellor's total remuneration is 6.3 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the institution of its staff. The ratio reflects the full year remuneration equivalent for the Vice-Chancellor and does not take into account the voluntary pay reduction.

ii) Former Vice-Chancellor

The remuneration of the former Interim Vice-Chancellor is detailed below. The comparative year relates to the full year and the current year relates to the period of 1 August 2020 to 31 December 2020.

	2020/21 £'000	2019/20 £'000
Salary	97	234
Bonus relating to prior year	–	6
Health insurance	1	1
Total excluding pension contributions	98	241
Pension contributions to USS	21	49
Total emoluments	119	290

Relationship between former Interim Vice-Chancellor remuneration and other employees

The former Interim Vice-Chancellor's basic salary is 6.0 times the median pay of staff (2020: 6.0 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the institution to its staff. The ratio reflects the full year basic salary equivalent for the former Interim Vice-Chancellor.

The former Interim Vice-Chancellor's total remuneration is 6.1 times the median total remuneration of staff (2020: 6.1 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the institution of its staff. The ratio reflects the full year remuneration equivalent for the former Interim Vice-Chancellor.

Justification for remuneration package

The remuneration level for the Vice Chancellor's pay is determined by drawing upon the Universities and Colleges Employers Association annual benchmarking data for the Higher Education sector. The comparator organisations used from this data is that of 'Post 92 Universities by income', with remuneration set between lower and upper quartile ranges. This benchmark is also compared to remuneration in the service sector, a secondary check to ensure DMU is not out of line with pay for Chief Executives in similar industries.

Individual pay within the quartiles is determined by factors such as experience, expertise, internal relativities, current market drivers such as a tight labour markets and retention factors for key staff. The remuneration level for the Vice Chancellor is within these parameters and is in the lower quartile of the salary range.

The Vice-Chancellor was appointed following a competitive recruitment process and took up post in January 2021 having previously held the post of Deputy Principal (Academic) at Royal Holloway, University of London. During this time as Deputy Vice Chancellor, she led an award-winning equality, diversity and inclusion development programme, instituted a student experience change programme and was the Leader/Director/Founder of a major doctoral training partnership with nine other universities.

Since arriving the Vice-Chancellor has consulted on a new strategy that sees De Montfort as 'The Empowering University' with Learning for Life, Knowledge Creation, Empowering People and Partnerships with Purpose being the key pillars, all underpinned by sustainability, digital transformation and financial strength. Recognising the need to significantly enhance the academic offer, Education 2030 has also been launched. This will see the development of a student-centred robust and future-proofed framework to best support teaching and learning opportunities, and deliver a high-quality student experience and outcomes, all within the context of the sector operating in a financially challenging environment.

d) Remuneration of higher paid staff

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

	2020/21	2019/20
£100,000 to £104,999	1	1
£105,000 to £109,999	2	2
£110,000 to £114,999	2	2
£115,000 to £119,999	1	1
£120,000 to £124,999	1	3
£125,000 to £129,999	4	1
£130,000 to £134,999	1	1
£135,000 to £139,999	1	1
£140,000 to £144,999	1	1
£145,000 to £149,999	1	–
£150,000 to £154,999	–	–
£155,000 to £159,999	–	1
£160,000 to £164,999	–	–
£165,000 to £169,999	1	1
£170,000 to £174,999	–	–
£175,000 to £179,999	–	–
£180,000 to £184,999	–	–
£185,000 to £189,999	1	–
£190,000 to £194,999	–	–
£195,000 to £199,999	–	–
£200,000 to £204,999	–	–
£205,000 to £209,999	–	–
£210,000 to £214,999	–	–
£215,000 to £219,999	–	–
£220,000 to £224,999	–	–
£225,000 to £229,999	–	–
£230,000 to £234,999	–	1
£235,000 to £239,999	–	–
£240,000 to £244,999	–	–
£245,000 to £249,999	1	–

The Board of Governors has agreed the terms of reference, policy and guidelines for DMU's Remuneration Committee that determines membership, responsibilities and how they must carry out their role. The Remuneration Committee is responsible for meeting the obligations described in those documents and has oversight of their implementation in relation to senior staff remuneration and severance arrangements. These documents and the approach taken to comply with the Committee of University Chairs Higher Education Senior Staff Remuneration Code can be found here:

<http://www.dmu.ac.uk/about-dmu/university-governance/the-board-of-governors/sub-committees-of-the-board.aspx>

The Remuneration Committee has a specific remit for determining the remuneration of the Vice-Chancellor and those roles determined to be Senior Post-holders which within the reference period were all members of the University Leadership Board. The reference period for determining pay during 2020/21 is 2019/20 as pay is reviewed in the first academic term of the following academic year i.e. Autumn 2020.

The Remuneration Committee has its own terms of reference, which include membership and responsibilities, as well as a set of guidelines detailing the role and remit of the committee and the information that is required by the committee to support determination of remuneration decisions. These documents describe the university's policy approach to determining remuneration for those within the remit of the remuneration committee and can be found here:

<https://www.dmu.ac.uk/documents/university-governance/guidance-for-remuneration-committee.pdf>

A range of benchmarking data is used to guide remuneration decisions including data from the higher education sector and beyond and more details can be found in the guidance described above. In order to determine the salary of the Vice-Chancellor and other Senior Post-holders, data on whole sector and similar university data are considered as well as those that are considered to be immediate and aspirational competitors recognising that our aim is to secure and retain those who can enable and drive the university's progress. Senior Professional Service Post-holders remuneration is also benchmarked against data provided by Korn Ferry/Hay using the "Service Sector" average to determine salaries of roles that are generic across sectors.

Key management personnel

The University Leadership Board (formerly known as the Executive Board) are classed as key management personnel whom have authority and responsibility for planning, directing and controlling the activities of the institution. Previously only designated senior post holders came within the remit of the Remuneration Committee however this remit has now been extended to encompass all members of the University Leadership Board. This includes compensation paid to key management personnel.

	2020/21 £'000	2019/20 £'000
Key management personnel	2,700	2,328

Key management personnel disclosure for 2019/20 has been restated to include employer's national insurance.

e) Restructuring costs – group and corporation

The total amount of any compensation for loss of office paid across the institution

	2020/21 £'000	2019/20 £'000
Staff restructuring costs	483	299

Number of staff to whom this was payable to	77	31
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f) Trade Union Facility Time

	2020/21	2019/20
Relevant Union Officials		
Number of employees who were relevant union officials during the relevant period	29	22
Full-time equivalent employee	28.5 FTE	22.0 FTE

Percentage of time spent on facility time

Employees who were relevant union officials employed during the period

Percentage of time	Number of employees	
0%	–	–
1-50%	29	22
51-99%	–	–
100%	–	–

Percentage of pay bill spent on facility time

Percentage of total pay bill spent on paying employees who were relevant union officials for facility time during the period

Total cost of facility time	99,101	78,804
Total pay bill	139,993,000	128,201,000
Percentage of the total pay bill spent on facility time	0.07%	0.06%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	12.86%	8.02%
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g) Access and Participation	2020/21 Actual £'000	2020/21 Plan £'000	2019/20 Actual £'000	2019/20 Plan £'000
Access Investment	1,191	1,344	5,883	5,130
Financial Support	2,256	2,405	2,184	2,940
Disability Support	1,624	1,209	1,681	1,209
Total	5,071	4,958	9,748	9,279

A copy of our published access and participation plan can be found by following this link to our website: <https://www.dmu.ac.uk/documents/university-governance/access-participation-plan-2020-2025.pdf>

Actual spend on access investment and financial support is lower than the plan in 2020/21 mainly due to the Covid-19 pandemic. Access investment had lower spend on community work whereas financial support was lower due to a reduction in the employability bursary as students attended a lower number of interviews in person.

3. Other operating expenses

	Group 2020/21 £'000	Group 2019/20 £'000	Corporation 2020/21 £'000	Corporation 2019/20 £'000
External auditor's remuneration	184	212	172	203
External auditor's fees for non-audit services	9	4	9	4
Internal audit services	245	246	245	246
Legal, professional, agency and consultancy fees	17,220	25,619	17,255	25,832
Administrative expenses	5,380	6,458	5,378	6,441
Publicity	7,473	7,604	7,473	7,604
General education expenses	2,691	3,033	2,706	2,877
Consumables	9,332	9,430	9,291	9,375
Repairs and general maintenance	2,965	3,640	2,965	3,640
Student bursaries	5,038	3,267	5,038	3,267
Travel and subsistence	233	2,924	233	2,915
Energy	2,935	2,852	2,935	2,852
Residences and catering	6,725	4,648	6,725	4,648
Rent, rates and insurance	1,972	2,009	1,972	2,009
Grant to De Montfort University Students' Union Limited	1,216	1,294	1,216	1,294
Staff development	671	1,049	671	1,049
Other	991	894	987	894
Total	65,280	75,183	65,271	75,150

	Group 2020/21 £'000	Group 2019/20 £'000	Corporation 2020/21 £'000	Corporation 2019/20 £'000
Other operating expenses include:				
Operating leases – buildings	386	386	386	386
Operating leases – equipment	45	52	45	52

Governors

In 2020/21, one governor was entitled to remuneration for their role as Chair of the Board of Governors. Two governors were entitled to remuneration as Chairs of Committees up to 30th August 2020. A total of £31,397 (2019/20 - £45,937 to five governors) has been paid.

The total expenses paid to or on behalf of four governors was £828 (2020: £6,191 to thirteen governors). This represents travel and subsistence incurred in attending Board and Committee meetings in their official capacity.

In accordance with the university's Instrument and Articles of Government, governor remuneration is determined in accordance with the University's Governor Remuneration Policy.

4. Interest payable – group and corporation	2020/21 £'000	2019/20 £'000
Net financing costs in pension scheme liabilities	2,285	2,018
Interest on USS	18	46
Interest on bond	4,838	4,838
Bond transaction costs	133	133
Total	7,274	7,035

5. Analysis of 2020/21 expenditure by activity group and corporation	Staff costs	Other operating expenses	Depreciation and amortisation	Interest	2020/21 Total	2019/20 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Academic departments	83,793	6,483	1,180	–	91,456	88,903
Academic services	18,002	9,733	6,716	–	34,451	32,048
Admin and central services	13,489	5,560	1,465	–	20,514	21,924
General education expenditure	3,629	21,469	3	–	25,101	29,808
Staff and student facilities	13,931	5,710	67	–	19,708	21,512
Premises	6,745	7,869	7,637	–	22,251	24,318
Residences and catering	480	6,970	154	74	7,678	4,004
Research grants and contracts	1,812	1,099	1	–	2,912	3,593
Other expenditure	463	387	–	4,915	5,765	6,093
Provision for restructuring	483	–	–	–	483	299
Pension scheme's adjustment	7,522	–	–	2,285	9,807	6,326
Total	150,349	65,280	17,223	7,274	240,126	238,828

The depreciation and amortisation charge has been funded by:

	£'000
Deferred capital grants released	1,886
General income	15,337
Total	17,223

6. Taxation – group and corporation	2020/21 £'000	2019/20 £'000
Corporate Income Tax (CIT) paid/(refunded) – Liaoning University (LNU)	12	9
Withholding tax (Royalties) UK	2	–
Total	14	9

Tax is payable to Chinese Tax Authorities on activity relating to JEPs with partner universities in China.

7. Intangible fixed assets	2020/21 £'000	2019/20 £'000
Group and corporation		
Opening balance 1 August	24,464	28,531
Transfer to tangible fixed assets	–	(3)
Additions in the year	301	265
Amortisation charge for the year	(4,142)	(4,329)
Closing balance at 31 July	20,623	24,464

8. Tangible fixed assets	Land and buildings	Assets under construction	Furniture and equipment	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000
Group and corporation					
Cost or valuation					
At 1 August 2020	324,346	9,305	15,335	39,129	388,115
Additions at cost	5,779	1,536	1,009	3,559	11,883
Transfers from assets under construction	7,722	(9,006)	246	1,038	–
Disposals	–	–	(253)	(4,487)	(4,740)
At 31 July 2021	337,847	1,835	16,337	39,239	395,258
Depreciation					
At 1 August 2020	50,913	–	11,445	32,935	95,293
Charge for the year	7,551	–	1,552	3,978	13,081
Depreciation charge for the year	7,551	–	1,552	3,978	13,081
Disposals	–	–	(253)	(4,487)	(4,740)
At 31 July 2021	58,464	–	12,744	32,426	103,634
Net book value:					
At 31 July 2021	279,383	1,835	3,593	6,813	291,624
At 31 July 2020	273,433	9,305	3,890	6,194	292,822

The net book value of tangible fixed assets held under finance leases at 31 July 2021 was nil (31 July 2020: nil). Land and buildings includes £9.4m (31 July 2020: £9.4m) of university-owned land that is not depreciated.

	Group and corporation	
	2020/21 £'000	2019/20 £'000
The net book value of land and buildings is comprised as follows:		
Freehold	270,921	264,541
Long lease and short lease	8,462	8,892
Total	279,383	273,433

9. Heritage assets	2020/21 £'000	2019/20 £'000
Group and corporation		
Cost or valuation		
At 1 August	1,073	1,073
Additions at cost	–	–
At 31 July	1,073	1,073

The university holds a number of pieces of artwork, these were re-valued in 2016 and in accordance with the universities accounting policies the annual impairment review has been undertaken and identified no adjustment to be made to the value of these assets.

10. Non-current investments

	Group 2020/21 £'000	Group 2019/20 £'000	Corporation 2020/21 £'000	Corporation 2019/20 £'000
Movement in the year				
Balance at beginning of year	1,085	1,249	1,395	1,559
Additions	27,060	–	27,060	–
Disposals	–	(166)	–	(166)
Appreciation of investments	1,830	2	1,830	2
Balance at year end	29,975	1,085	30,285	1,395
Analysis of closing balance				
Shareholding in subsidiary undertakings (a)	–	–	310	310
Other investments (b)	28,750	27	28,750	27
Shareholding in CVCP Properties PLC	38	38	38	38
Securities and fixed interest stock for endowments	1,187	1,020	1,187	1,020
Total	29,975	1,085	30,285	1,395

Included within investments is the notional reserve representing the requirement to provide for the repayment of the bond in the form of a bond redemption fund of £15m every five years (note 26). Since the bond was issued in 2012, a total of £27m has been invested. These funds were previously held in short-term deposits.

a) Shareholdings in subsidiary undertakings

At year end, investments in subsidiary undertakings comprise:

	Group holding %	Corporation 2020/21 £	Corporation 2019/20 £	Description of activities
Directly owned by the university:				
De Montfort Expertise Ltd	100	310,000	310,000	Provision of contract research and development
Leicester Business School Ltd	100	1	1	Dormant company
Leicestershire Business School Ltd	100	1	1	Dormant company
Total		310,002	310,002	

All of the subsidiary undertakings are incorporated in England and Wales.

b) Other investments

	Group 2020/21 £'000	Group 2019/20 £'000	Corporation 2020/21 £'000	Corporation 2019/20 £'000
Other investments consist of:				
At fair value:				
Market securities	28,723	–	28,723	–
At cost less impairment:	–	–	–	–
Group investments in spinouts (i)	27	27	27	27
Total	28,750	27	28,750	27

	Holding %	Corporation 2020/21 £	Corporation 2019/20 £	Description of activities
Spear Therapeutics Ltd	11.06	234	234	Drug development and research
CYPS Ltd	100.00	100	100	Dormant company
In Smart Ltd	100.00	100	100	Dormant company
Morvus Technology Ltd	<0.40	589	589	Drug development and research
Abeona Therapeutics	<0.70	174	421	Drug development and research, incorporated in USA.
Mediatag Ltd	–	–	150	Company dissolved
Venuesim Ltd	33.00	300	300	Software development
WZVI Ltd	–	–	100	Company dissolved
IP By Design Ltd	10.00	25,000	25,000	Intellectual property management consultancy
CYP Design Ltd	–	–	2	Company dissolved
Total		26,497	26,996	

11. Stocks – group and corporation

	2020/21 £'000	2019/20 £'000
Goods for resale	1	2
Art and design supplies	115	113
Total	116	115

12. Trade and other receivables

	Group 2020/21 £'000	Group 2019/20 £'000	Corporation 2020/21 £'000	Corporation 2019/20 £'000
Amounts falling due within one year				
Student receivables	7,954	6,524	7,954	6,524
Other receivables	2,210	1,600	2,149	1,538
Research grants receivables	3,573	2,408	3,333	2,128
Prepayments and accrued income	4,013	5,082	4,006	5,067
Subsidiary undertakings	–	–	–	1,241
Total	17,750	15,614	17,442	16,498

13. Current Investments

In accordance with its Treasury Management Policy, the university regularly invests surplus funds on deposit or on the money market.

At 31 July 2021 £40,000,000 of Group and Corporation funds was on short term deposit (31 July 2020: £69,016,000)..

14. Creditors: amounts falling due within one year

	Group 2020/21 £'000	Group 2019/20 £'000	Corporation 2020/21 £'000	Corporation 2019/20 £'000
Payments received in advance	27,675	23,051	27,500	22,995
Trade creditors	7,227	5,170	7,128	5,056
Other creditors	6,026	2,995	5,971	2,924
Taxation	1,823	1,567	1,823	1,567
Social security	1,647	1,537	1,647	1,537
Accruals	13,446	9,839	13,213	9,572
Student caution deposits	296	468	296	468
Subsidiary undertakings	–	–	812	1,076
Total	58,140	44,627	58,390	45,195

Payments received in advance

Included within payments received in advance are the following items of income which have been deferred until specific performance related conditions have been met.

	Group 2020/21 £'000	Group 2019/20 £'000	Corporation 2020/21 £'000	Corporation 2019/20 £'000
Research grants received on account	5,957	7,682	5,784	7,627
Capital grant income	2,212	1,828	2,212	1,828
Other income	19,506	13,541	19,504	13,540
Total	27,675	23,051	27,500	22,995

15. Creditors: amounts falling due after more than one year – group and corporation

	2020/21 £'000	2019/20 £'000
Bond	90,000	90,000
Bond transaction costs	(2,798)	(2,931)
Bond total	87,202	87,069
Deferred income	34,528	34,668
Total	121,730	121,737

See note 26 for further details on the bond listing.

16. Provisions for liabilities

	Future pensions £'000	Obligation to fund deficit on USS pension £'000	Education provision £'000	Total £'000
At 1 August 2020	1,200	1,218	–	2,418
Utilised in year	(102)	(64)	–	(166)
Additions in year	79	50	1,960	2,089
Unused amounts reversed in year	–	–	–	–
At 31 July 2021	1,177	1,204	1,960	4,341

The enhanced pension provision represents the future costs relating to former staff who were awarded enhancements to their Local Government Pension Scheme pensions when they were made redundant. Since it is the University that makes these payments to these pensioners and not the LGPS, provision for these payments is made on the basis of a present obligation arising from an obligation event for which there is an outflow which can be reliably estimated.

An amount of £1,177,000 (2020: £1,200,000), is included in provisions for liabilities and charges representing the extent to which the capital cost charged exceeds actual payments made. The provision will be released against the cost to the university of enhanced pension entitlements over the estimated life expectancy of each relevant employee.

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below and further information is provided in note 25(c).

The major assumptions used to calculate the obligation are:

	2021	2020
Discount rate	1.70%	1.50%
Salary growth	1.00%	1.00%

A provision of £1,960,000 has been included to reflect the risk of clawback of funding received in relation to education provision over the last three financial years. Whilst no claim has been made against the university, our own compliance procedures have determined that it would be prudent to include this provision, and this value represents management's best estimate.

17. Endowment reserves – group and corporation

	Unrestricted permanent £'000	Restricted permanent £'000	Restricted expendable £'000	2020/21 Total £'000	2019/20 Total £'000
Capital	1	932	1,213	2,146	2,107
Accumulated income	–	169	-	169	156
Total	1	1,101	1,213	2,315	2,263
Investment income	–	32	7	39	41
Expenditure	–	(31)	(58)	(89)	(78)
Total	–	1	(51)	(50)	(37)
New endowments	–	–	127	127	87
Appreciation in market value of investments	1	167	–	168	2
At 31 July 2020	2	1,269	1,289	2,560	2,315
Represented by:					
Capital value	2	1,099	1,289	2,390	2,146
Accumulated income	–	170	–	170	169
Total	2	1,269	1,289	2,560	2,315
Analysis by type of purpose:					
Scholarships and bursaries				1,802	1,621
Research support				40	38
Prize funds				645	589
General				73	67
Total				2,560	2,315
Analysis by asset:					
Current and non-current asset investments				1,187	1,020
Cash and cash equivalents				1,373	1,295
Total				2,560	2,315

18. Restricted reserves – group and corporation

Reserves with restrictions are as follows:

	2020/21 £'000	2019/20 £'000
Balance at 1 August	57	57
New donations	2	2
Expenditure	(2)	(2)
At 31 July	57	57

19. Lease obligations

	Land and buildings £'000	Other leases £'000	2020/2021 £'000	2019/2020 £'000
Payable during the year	386	45	431	438
Future minimum lease payments due:				
Not later than 1 year	386	13	399	431
Later than 1 year and not later than 5 years	1,214	1	1,215	1,240
Later than 5 years	150	–	150	150
Total lease payments due	1,750	14	1,764	1,821

20. Cash and cash equivalents

	At 1 August 2020 £'000	Cash flows £'000	Non-cash changes £'000	At 31 July 2021 £'000
Consolidated				
Cash and cash equivalents	54,797	24,583	–	79,380
Total	54,797	24,583	–	79,380

21. Consolidated reconciliation of net debt

	At 1 August 2020 £'000	Cash flows £'000	Non-cash changes £'000	At 31 July 2021 £'000
Cash in hand	54,797	24,583	–	79,380
Debt due after 1 year	(87,069)	–	(133)	(87,202)
Total net debt	(32,372)	24,583	(133)	(7,822)

In accordance with its Treasury Management Policy and Investment Policy, the University regularly invests surplus funds.

At 31 July 2021 £40,000,000 was in current investments (31 July 2020: £69,016,000).

At 31 July 2021 £29,975,000 was in long term investments (31 July 2020: £1,085,000).

Non-cash changes relate to amortisation of £4.0 million bond transaction costs over the 30 year life of the bond.

22. Capital and other commitments	2020/21 Total £'000	2019/20 Total £'000
Provision has not been made for the following capital commitments at 31 July 2021:		
Commitments contracted for	2,471	6,498
Authorised but not contracted for	9,163	8,154
Total	11,634	14,652

23. Contingent liabilities

There are no material contingent liabilities.

24. Related party transactions

The operating statements of the University include transactions with related parties. In accordance with FRS102 these are disclosed where members of the University Board of Governors disclose an interest in a body with whom the university undertakes transactions which are considered material to the University's Financial Statements and/or the other party. Due to the nature of the University's operations and the composition of the Board, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board may have an interest. All transactions involving organisations in which a member of the Board of Governors may have an interest including those identified below, are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement procedures.

An updated Register of Interests for all members of the Board of Governors and Executive Board Members is maintained.

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

2020/21 Transactions	Income £'000	Expenditure £'000	Balance due from at 31 July 2021 £'000	Balance due to at 31 July 2021 £'000
De Montfort Students' Union	–	1,227	–	–
Leicester Theatre Trust Limited	–	45	–	–
British Council	–	48	–	–

De Montfort Students' Union (DSU) is an independent, student-run and student-led organisation for students at De Montfort University. Ms Aashni Sawjani, DSU Student Opportunities and Engagement Executive joined the Board in July 2021.

Mr Ian Squires, Independent Governor and Chair of the Board of Governors since January 2020, is a director of Leicester Theatre Trust Limited.

Mrs Sara Pierson, Independent Governor is the Director of Examinations at the British Council.

2019/20 Transactions	Income £'000	Expenditure £'000	Balance due from at 31 July 2020 £'000	Balance due to at 31 July 2020 £'000
De Montfort Students Union	–	1,409	–	–
Spire Healthcare Group Limited	1	25	–	–
Leicester City Football Club	265	492	–	–
Kettering General Hospital	–	21	–	–
Leicester Cathedral	–	1	–	–
Curve Productions Limited	3	-	–	–
Leicester Theatre Trust Limited	–	51	–	–
The Foundry Visionmongers Limited	–	12	–	–

De Montfort Students' Union (DSU) is an independent, student-run and student-led organisation for students at De Montfort University. Ms Diya Rattanpal, DSU Executive Officer joined the Board in September 2019.

Mr Daniel Toner, Independent Governor is the General Counsel and Group Secretary for Spire Healthcare Group Limited. He is also director of the 34 subsidiary companies of this Group.

Mr Ian Squires, Independent Governor and Chair of the Board of Governors since January 2020, is a director of Curve Productions Limited and Leicester Theatre Trust Limited.

Mr Simon Capper, Independent Governor until December 2019, serves as the Finance Director at Leicester City Football Club with whom the University is party to a Sponsorship Agreement. Leicester City Football Club also buys services from De Montfort Expertise Limited, a company wholly owned by De Montfort University.

Mrs Lin Hinnigan, Independent Governor and Interim Chair of the Board Governors until July 2020, also serves as Associate Non-Executive Director of the Kettering General Hospital.

Mrs Sally Bowie, Independent Governor until November 2019 also serves as Lay Canon of Leicester Cathedral.

Ms Gill Ezard, Independent Governor until July 2020, also serves as Director of The Foundry Visionmongers Limited.

25. Pension schemes

- a) The university's employees belong to two principal pension schemes, the Teachers' Pension Scheme (TPS) and the Leicestershire County Council Pension Fund, a Local Government Pension Scheme (LGPS) and there is also a strictly limited membership in the Universities Superannuation Scheme (USS). The total pension cost for the year was as follows:

Total pension cost for the year	2020/21 £'000	2019/20 £'000
Teachers' Pension Scheme: contributions paid	12,186	11,215
Universities Superannuation Scheme: contributions paid	677	651
Local Government Pension Scheme (LGPS): contributions paid	10,851	9,156
Total other pension costs	23,714	21,022
The financial effects of LGPS pension scheme	7,522	4,328
Total	31,236	25,350

b) Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership.

Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

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

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

As a result of the latest scheme valuation employer contributions were increased in September 2019 from a rate of 16.4% to 23.6%. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses.

The next valuation is expected to take effect in 2023.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website: www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx

Scheme Changes

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

Since then, claims have also been lodged against the main public service schemes including the TPS. The Department has conceded those in line with the rest of the government. In July 2020 HM Treasury launched a 12-week public consultation which will provide evidence to support the delivery of an appropriate remedy for the affected schemes, including TPS.

A final remedy will be determined once the results of the consultation are established.

In December 2019, a further legal challenge was made against the TPS relating to an identified equalities issue whereby male survivors of opposite-sex marriages and civil partnerships are treated less favourably than survivors in same-sex marriages and civil partnerships. The Secretary of State for Education agreed not to defend the case. In June 2020, the Employment Tribunal recorded its findings in respect of the claimant. DfE is currently working to establish what changes are necessary to address this discrimination.

Any impact of these events will be taken into account when the next scheme valuation is implemented. This is scheduled to be implemented in April 2023, based on April 2020 data.

c) Universities Superannuation Scheme

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

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

The total cost charged to the profit and loss account is £676,734 (2020: £650,945) as shown in note 25a.

Deficit recovery contributions due within one year for the institution are £169,429 (2020: £60,924).

The latest USS valuation at 31 March 2020 has now been signed and filed with The Pensions Regulator with an effective date of 1 October 2021. The resulting schedule of contributions will see a small increase in the contribution rates from the 2018 valuation and a longer deficit recovery period. See Note 27 for further information.

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

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

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

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 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 female
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

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

	2021	2020
Discount rate	1.70%	1.50%
Pensionable salary growth	1.00%	1.00%

d) Local Government Pension Scheme

The university participates in a defined benefit scheme in the UK, the Leicestershire County Council Pension Fund. A full actuarial valuation of the fund was carried out at 31 March 2013 by a qualified independent actuary. This was updated to 31 July 2021 for FRS 102 purposes by a qualified independent actuary. The major assumptions used by the actuary were as follows:

	2021	2020
Rate of increase in salaries	2.7%	2.7%
Rate of increase in pensions	2.7%	1.7%
Discount rate for liabilities	1.7%	1.5%
Inflation assumption	2.7%	1.7%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2021	2020
Retiring today		
Males	21.3 years	21.3 years
Females	23.8 years	23.6 years
Retiring in 20 years		
Males	21.5 years	21.7 years
Females	24.8 years	24.7 years

The major categories of plan assets as a percentage of total plan assets

	2021 %	2020 %
Equities	58%	57%
Bonds	29%	31%
Property	7%	8%
Cash	6%	4%

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for the year ended 31 July 2021	2020/21 £'000	2019/20 £'000
Fair value of plan assets	240,221	246,444
Present value of funded liabilities	(388,943)	(338,216)
Opening position as at 1 August	(148,722)	(91,772)
Charged to staff costs		
Current service cost	(18,397)	(15,549)
Past service (cost)/gain	(35)	2,058
Total service cost	(18,432)	(13,491)
Financing		
Interest income on plan assets	3,654	5,241
Interest costs on defined benefit obligation	(5,939)	(7,239)
Total net interest	(2,285)	(1,998)
Total defined benefit costs recognised	(20,717)	(15,489)
Cash flows		
Employer contributions	10,910	9,163
Total cash flows	10,910	9,163
Expected closing position	(158,529)	(98,098)
Remeasurements		
Changes in demographic assumptions	(474)	(169)
Changes in financial assumptions	(67,881)	(24,155)
Other experience	3,635	(9,614)
Return on assets excluding amounts included in net interest	49,756	(16,686)
Total remeasurements recognised in Other Comprehensive income	(14,964)	(50,624)
Analysis of the movement in the fair value of plan assets		
Value of assets at 1 August	240,221	246,444
Interest income on plan assets	3,654	5,241
Plan participants' contributions	3,074	2,908
Employer contributions	10,910	9,163
Benefits paid	(6,889)	(6,849)
Return on assets excluding amounts included in net interest	49,756	(16,686)
Value of assets at 31 July	300,726	240,221
Analysis of the movement in the present value of funded liabilities		
Present value of liabilities at 1 August	388,943	338,216
Current service cost	18,397	15,549
Past service cost	35	(2,058)
Interest cost on defined benefit obligation	5,939	7,239
Plan participants' contributions	3,074	2,908
Benefits paid	(6,889)	(6,849)
Changes in demographic assumptions	474	169
Changes in financial assumptions	67,881	24,155
Other experience	(3,635)	9,614
Present value of liabilities at 31 July	474,219	388,943
Fair value of plan assets	300,726	240,221
Present value of funded liabilities	(474,219)	(388,943)
Closing position as at 31 July	(173,493)	(148,722)

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 July 2021	Approximate % increase to employer liability	Approximate monetary amount £'000
0.1% decrease in real discount rate	2%	10,907
1 year increase in member life expectancy	4%	18,969
0.1% increase in the salary rate increase rate	0%	1,115
0.1% increase in the pension increase rate (CPI)	2%	9,659

26. Financial instruments	Group 2020/21 £'000	Group 2019/20 £'000	Corporation 2020/21 £'000	Corporation 2019/20 £'000
Financial assets				
Financial assets at fair value through Statement of Comprehensive Income				
Listed Investments	29,910	1,020	29,910	1,020
Financial assets that are equity instruments measured at cost less impairment				
Other Investments	27	27	27	27
Financial assets that are debt instruments measured at amortised cost				
Cash and cash equivalents	79,380	54,797	79,371	53,914
Investments	40,000	69,016	40,000	69,016
Trade and other receivables	13,737	10,532	13,436	11,431
Financial liabilities				
Listed bond (net of capitalised transaction costs)	87,202	87,069	87,202	87,069
Trade creditors	7,227	5,170	7,128	5,056
Other creditors	6,026	2,995	5,971	2,924

Financial instruments – Risk management

The group operates a centralised treasury function which is responsible for managing the credit, liquidity, interest & foreign currency risk associated with the group's activities. These financial risks are managed within parameters specified by the Treasury Management Policy and Investment Policy which govern all treasury and longer term investment activities and sets out relevant policy objectives and control measures as driven by the university's Financial Strategy.

Key recommendations of the Code of Practice on Treasury Management in Public Services as issued by Chartered Institute of Public Finance and Accountancy (CIPFA) as recommended by the Office for Students (OfS) are adopted as appropriate. The Policy is reviewed and approved by the university Finance & Human Resources Committee annually.

The group's principal financial instruments are the bond, cash, short term deposits and investments. The core objective of these financial instruments is to meet financing needs of the group's operations. Additionally, the group has other financial assets and liabilities arising directly from its operations such as trade debtors and creditors.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group's Treasury Management Policy and Bad Debt Write Off Policy lay out the framework for credit risk management. Credit risk is monitored on an on-going basis.

The group's credit risk arises from bank balances, investments, students, government and commercial debtors. Management of credit risk is a prime objective of the Treasury Management Policy. At 31 July 2021, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet.

Student, government and commercial debtors are reviewed on an on-going basis and bad debt provisions are made if recovery of credit becomes uncertain. A debtor deemed irrecoverable is written off in accordance with the Bad Debt Write Off policy. The concentration of risk is limited due to the student base being large and diverse, and all Home/EU students having access to the Student Loans Company to fund their tuition fees. The treasury management policy states maximum level of investments for each counterparty to mitigate risk concentration. Similarly, the group's investment decisions are based on strict minimum credit worthiness criteria to ensure the safety of cash and investments. Credit worthiness of group's banks and money market funds is regularly monitored. Generally, the group does not require collateral against financial assets.

Liquidity risk

Liquidity risk refers to the risk that the group will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities.

Formal cash flow forecasts are developed, monitored and updated to ensure that adequate working capital is available and excess funds are invested to reduce the carrying cost of funds. The group reviews its minimum liquidity requirements to ensure cash is available between the three annual Student Loans Company remittances and invest excess funds to maximise investment in short term fixed desposits. At 31 st July 2021, the group is holding cash deposits and investments of various maturities, none of which is greater than 12 months. The average maturity of any deposits or investments with a maturity date is 95 days.

The long term financing of the group relies on £90m, unsecured Eurobonds maturing in June 2042. The retained bonds held by or on behalf of the group were cancelled on 18 July 2017. The capital amount will be paid at maturity and coupon of 5.375% is paid semi-annually. The group may, at its option, redeem all, or from time to time any part of, the bonds at the higher of the following:

- (a) the principle amount of the bonds to be redeemed;
- (b) the sum of the Gross Redemption Yield of the benchmark gilt (4.50% Treasury Gilt 2042) and 0.40% plus accrued interest.

Unless previously redeemed or purchased and cancelled, the bonds will be redeemed at their principle amount on 30 June, 2042.

Under the terms of the bonds, for so long as any of the bonds remains outstanding, in respect of each financial year, the group is to ensure that it's total borrowing costs (as defined by trust deed) do not exceed 7% of the aggregate of:

- (a) It's total consolidated income for the Financial Year; and
- (a) The total cash of the group as at the end of the financial year.

For financial year ending on 31 July 2021, the ratio was 1.90% (2019/20 1.86%). The bonds may be redeemed at the option of the holder subject to the occurrence of certain events mentioned in the bond trust deed. Moody's review of the university's credit rating in 2021 determined the credit rating to be Aa3 negative outlook (previously Aa3 stable outlook).

Foreign currency risk

Foreign currency risk refers to the risk that the unfavourable movements in foreign exchange rate may cause financial loss to the group.

The group's principal foreign currency exposures generally arise from research related receipts and payments denominated in euros. There are ring-fenced euro bank accounts, set up especially for research projects funded in euros. All other receipts in foreign currencies are converted into pound sterling unless required for immediate foreign currency payments. Overall foreign currency exposure is immaterial, being insignificant portion of total Income and expenditure. At 31 July 2021, the sterling equivalent of all euro bank balances was £4.7m (2019/20 : £4.5m).

Interest rate risk

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations of the value of Balance Sheet items (i.e. price risk) or changes in interest income or expenses (i.e. re-investment risk).

The group's main financing relates to 30 years £90m bonds (31 July 2020 - £90m). At 31 July 2021, balance sheet values of deposits and investments are not exposed to changes in interest rates. However, the group's interest and investment income is exposed to changes in interest rates i.e. reinvestment rate risk. The group is prepared to accept re-investment risk to exploit opportunities where yield can be maximised without compromising capital base of the investment. The group has no outstanding derivative instruments as at 31 July 2021.

Financial instruments – fair values

The fair values of each category of the group's financial instruments are the same as their carrying values in the group's Balance Sheet, other than as noted below:

	2020/21 Carrying value £m	2020/21 Fair value £m	2019/20 Carrying value £m	2019/20 Fair value £m
5.375%, Unsecured Bonds due 2042	87.2	150.8	87.1	137.2
Value of interest accrued at 31 July 2021 is £0.4m (31 July 2020: £0.4m).				

The bond is listed on the London Stock Exchange, therefore categorised as Level 1 under the requirements of FRS 102 and valued using quoted ask price as at 31 July 2021 in compliance with FRS 102. The fair value of the bond is its market value at the Balance Sheet date. Market value includes accrued interest and changes in credit risk and interest rate risk, and is therefore different to the reported carrying amounts.

OfS requires the university to provide for the repayment of the bond in the form of a bond redemption fund of £15m every five years. The current value of this notional reserve is £15m held within investments (note 10).

Bond disclosures

An unsecured fixed rate public bond was issued in July 2012 in the sum of £110 million over a 30-year term with a coupon rate of 5.375%. The £20 million reserve bond which was held without coupon by the trustee for a five year period to July 2017 has since been withdrawn. There are no capital payments to be made over the term with the bond maturing in 2042.

DMU may, at its option, redeem all, or from time to time any part of, the bonds at the higher of the principal amount of the bonds and the sum of the gross redemption yield of the benchmark gilt (4.5% Treasury Gilt 2042) and 0.40%, plus accrued interest.

The bond transactions costs of £4.0 million are amortised over the life of the bond of 30 years to interest payable, with effect from financial year 2012/13.

27. Events after the reporting period

USS Pension Scheme

The USS 2020 valuation has now been signed and filed with The Pensions Regulator with an effective date of 1 October 2021. The resulting schedule of contributions will see an increase in contribution rates from the 2018 Valuation and a longer deficit recovery period as a result of the decision to proceed with benefit change by the Joint Negotiating Committee (JNC) subject to member consultation. The impact on the USS provision would be an increase of £1,784,000 from £1,204,000 to £2,988,000 (See Note 16 for further information).

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