

Annual Statements 2018

University of St Mark & St John
(a company limited by guarantee)

Report of the Members of the Board of
Governors and Consolidated Financial Statements

Registered number: 7635609
For the year ended 31 July 2018

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(a company limited by guarantee)

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Company Information

Status

The University of St Mark and St John is a company limited by guarantee, (referred to in these financial statements as the University or company).

Group

The financial statements consolidate the results of the Company and its subsidiary, Marjon (South West) Limited.

Secretary

Dr K Cook (until 31 December 2017)

Mrs U Stuart (as of 1 January 2018)

External Auditor

Bishop Fleming LLP
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Bankers

Barclays Bank Plc
Park House
Newbrick Road
Stoke Gifford
Bristol
BS34 8YU

Royal Bank of Scotland
57 Calthorpe Road
Edgbaston
Birmingham
B15 1TT

Insurers

Zurich Municipal
Zurich House
2 Gladiator Way
Farnborough
Hants
GU14 6GB

Internal Auditor

PricewaterhouseCoopers LLP
2 Glass Wharf
Bristol
BS2 0FR

Solicitors

Womble Bond Dickinson
Ballard House
West Hoe Road
Plymouth
Devon
PL1 3AE

Wolferstans
Deptford Chambers
60/66 North Hill
Plymouth
PL4 8EP

Registered Office

University of St Mark & St John
Derriford Road
Plymouth
Devon
PL6 8BH

Members of the University Board of Governors and Senior Management Team

The names of the persons who at any time during the year ended 31 July 2018 and up to the date that the financial statements were approved were members of the University Board of Governors are set out below. None of the members held any interest in any contract other than certain members who were employed by the group during the year ended 31 July 2018 and up to the date of approval of these statements.

- Prof Rob Warner – Vice-Chancellor and Chief Executive
- Mr Peter Upton - Chair of the Board
- Mr Mike Baker
- Mr Richard Bayly
- Dr Paul Bentley (until December 2017)
- Dr Susan Brownlow
- Dr Susan Cooper (from December 2017)
- The Rev'd Preb Catherine Edmonds
- Ms Claire Gibson
- Prof Patricia Hind (co-optee October 2016 – November 2017, Governor from November 2017)
- Mr Stephen Hobson (until September 2017)
- Prof Chris King CBE (from November 2017)
- Mr Elias McGill (until July 2018)
- The Rt. Rev'd Nicholas McKinnel
- Mrs Diana Naylor
- Colonel (retired) Graham Raikes MBE (from November 2017)
- Mr Rhys Roberts (from July 2018)
- Mr John Searson
- Ms Michele Shoebridge
- Mrs Emma Van der Lugt

The full members of the University Board of Governors are also registered as directors of the company with Companies House.

Co-opted members of Board sub-committees included:

- Mr Mike Sturgess – co-opted
- Prof Patricia Hind – co-opted October 2016 – November 2017, Governor from November 2017 (listed above)

Members of the University Board of Governors and Senior Management Team (continued)

Senior Management Team

The members of the Senior Management Team as at 31 July 2018 are listed below:

- Professor Rob Warner – Vice-Chancellor & Chief Executive
- Professor Andrew Edwards – Dean Faculty of Sport, Health & Wellbeing
- Dr Ian Luke – Dean Faculty of Education, Enterprise and Culture
- Ms Lucy Pengelly – Director of Human Resources
- Mr Stephen Plant – Registrar
- Mr David Riggs – Director of Learning Resources & Technology
- Mr Richard Watson – Director of Finance & Facilities
- Ms Katy Willis – Director of Marketing & Student Experience

During the year the following people were also members of the Senior Management Team

- Dr Karen Cook – Deputy Vice-Chancellor (until 31 December 2017)
- Brendon Noble – Pro Vice-Chancellor (until 31 October 2017)

Strategic Report

Operating and Financial Review

The members of the University Board of Governors have pleasure in presenting their report and the audited financial statements for the year ended 31 July 2018.

Introduction

The Board recognises that Marjon has made significant strides in taking forward the new Growth Plan, particularly in the context of the rapid and radical changes in higher education as a whole. Following the appointment of the new Vice-Chancellor, Professor Rob Warner, in March 2017, the University has moved through a process of financial realignment, to the rapid development of a consistent focus upon student success, a sustained heightening of the student experience and the continued development of undergraduate and postgraduate provision to secure future growth. The early successes of the Growth Plan have been notable, demonstrating the fact that the staff of the University have rallied together with ambition and determination to make the Growth Plan their own and deliver a vibrant, and financially secure, future for Marjon.

The Higher Education Funding Council for England (HEFCE) signed off the final report from the Vice-Chancellor on the Catalyst Funding, and confirmed the elevation of the University to its lowest risk category prior to HEFCE's handover to the Office for Students.

Capital investment at the beginning of the year focussed on the new student hub and bar. The works proved disappointingly slow to complete but have been received very warmly by students. The small in-year refurbishments have continued to strengthen student enthusiasm for the Marjon experience. In the first eight months of the financial year the roadworks through Derriford added up to an hour to staff and student car journeys; it is a tribute to staff that without complaint so very many left home at anti-social hours to sit in queues to ensure that no student was disadvantaged through this prolonged disruption.

Operating Review

The University implemented a number of sharply focused interventions in support of high quality teaching for all students, and thanks to the dedicated buy-in of academic staff this has paid dividends. The year saw significant improvement in good honours and in active student engagement in shaping the life of the learning community. NSS 2018 was completed within this financial year and the results saw Marjon leap from 75th in UK to 12th. This and other metrics from 2017-18 resulted in *The Times and Sunday Times Good University Guide* reporting an improvement in overall position from 119th to 109th. Detailed metrics from *The Good University Guide* placed Marjon 10th in UK for student experience (8th in England) and 2nd in UK for teaching quality (1st in England). These quite exceptional results, particularly in the year following a restructure, demonstrate high levels of dedication and ambition among all staff of the University, and a renewed dedication to being centred on student success. Work continues towards the first REF submission in July 2020; as *The Good University Guide* reported, the decision not to enter the last REF was the first time such a decision had been made by a public university for 20 years and has resulted in an enduring drag factor in league table metrics. Public metrics now demonstrate that Marjon is the top university in the South West for Teaching Quality and our graduate teachers are the highest paid in the South West and Wales.

Further streamlining of management structures and decision-making processes was undertaken during the financial year, seeking to ensure that investment is focussed upon strategic advance and frontline staff. The senior managers were given far more responsibility to innovate within their areas, and they have thrived with this opportunity while working together with considerable energy, creativity and collegiality.

Sustainability

Financial forecasts have been approved that anticipate the University delivering a consistent 5% surplus in future years as the Growth Plan comes to fruition. The University has notably strong cash reserves to support this strategy.

Strategic Report (continued)

The Board is acutely aware of the risks to fees and funding with Higher Education in England, and the fact that the demographic upturn will not reach university-age students until 2021. Modelling of various funding arrangements continues to be updated. However, in 2017-18 recruitment to Marjon substantially exceeded sector trends; where the sector experienced an overall decline of 2.6%, Marjon increased first year undergraduate recruitment by just over 20%, with record numbers attending Open and Applicant Days. The reduction in student numbers elsewhere was not evenly spread, with one regional university reporting a significant shortfall and consequent redundancies for the second successive year. There is therefore no room for complacency, but the exceptionally high performance of staff, enthusiasm of students, and strong reserves are all highly positive sustainability indicators.

Future Plans and Risk Management

Risk management is an essential element of managing the delivery of the strategic plan and the supporting financial strategy. There is a great deal of uncertainty in the sector regarding funding and competition. The Augar review of fees and funding has been deferred, due to the ONS deliberating on the off-balance sheet status of student loans, and it seems increasingly unlikely that any change to the fees and funding regime will be implemented before 2020. If there were a change in the political environment resulting in the introduction of zero fees, there is not yet any indication of the *per capita* funding that would be provided from central government, nor the funding stream for capital projects, nor whether Treasury would then need to re-impose the student cap to control government expenditure.

With advice from the internal auditors, the University gave a complete overhaul to its risk register in 2017-18, with the new document due to come to Audit Committee and the Board in Autumn 2018.

The primary risks to the University have been identified as:

- Student recruitment
- Financial sustainability
- League table performance
- Retention

Progress on the Growth Plan is regularly monitored by senior management and the Governing Body, particularly through the KPIs, supported by the Risk Register.

Public Benefit Statement

The University of St Mark & St John is both a company limited by guarantee and an exempt charity, regulated by the Office for Students (OfS). The Charities Act 2011 places an obligation on charities to demonstrate explicitly how they provide public benefit.

Our primary purpose as set out in the company's Articles of Association, is to promote the advancement of further and higher education and the consequent work of the University in accordance with the principles of the Church of England.

Originally established as a teacher training college in the late 1830s, teacher education remains an area of distinctiveness today and from these roots the University has developed a wider range of provision including Youth and Community, Early Years Education, Speech and Language Therapy, Language Education, Sports Development, Coaching and Physical Education & Outdoor Adventure, Media, the Performing Arts and Business and Enterprise.

The University is committed to the continuation of its position in respect of widening participation, with 94.7% of students coming from non-Grammar state schools, 37% from lower socio-economic groups and 23.8% from deprived areas, with 38.7% being mature students. This ranks the University in the Good University Guide 23rd in the UK and 1st in the South West. As part of its widening participation strategy the University supports the raising of aspiration and attainment through the provision of workshops at feeder schools, mentoring programmes and summer schools, increasing awareness of the benefits of higher education. This ensures that those from traditionally low participation neighbourhoods (below 25% participation levels) are made aware of the choices open to them and supported towards HE participation whenever appropriate.

Strategic Report (continued)

The University works hard to ensure that students coming to the institution from disadvantaged backgrounds are supported, not only financially through our bursary and scholarship schemes, but by a well-qualified and experienced team of academics and professional staff.

Many of the University's students undertake work placements as an integral part of their programme of study and much of this will be in public sector and voluntary organisations such as schools, youth organisations, the NHS, drama groups and sports clubs. In addition to this the University has a strong culture of student and staff volunteering. Students also have the opportunity to act as 'student ambassadors' and mentors, working with current students, prospective students and the wider community.

The health and well-being clinics continue to increase their partnership with the NHS, offering a range of rehabilitation programmes, including back pain, leg ulcer clinics and clinics for patients with cancer.

Our sport provision makes an active contribution to the wider community, not only through the sports facilities being made available to community groups and schools locally, but through encouraging children across the City region to engage in active sport from a young age to their late teens.

The Chaplaincy provides regular opportunities for worship for members of the wider community, deliver lectures and events and undertakes an annual programme of work supporting assemblies in primary schools across the region with student volunteers.

The University makes available the Arts Centre to school and community drama groups and has an open access policy for use of the library and learning resources centre.

The public benefits outlined above are funded largely through undergraduate tuition. The charitable work of the University is also supported by the Governors, who give their time and wider support to the institution without payment, other than for expenses. The University will continue in this charitable role to provide a broad range of public benefit to our community.

Payments to Trustees

No payments were made to the Governors as charity trustees during the year except in the reimbursement of expenses incurred on the University's business. These expenses amounted to £4,446.18.

Financial Highlights

Financially the University has delivered above forecast, returning an operating surplus of £2,283,000 prior to adjusting for FRS102 and the costs of the Local Government Pension Scheme (LGPS). This translates to £1,359,000 surplus for the year post adjustments.

The original budget for the year predicted a small deficit in this year of transition, but this was revised at the mid-year review in line with positive student recruitment and the rigorous management of the staff base and other expenditure. The cost base overall was lower than originally budgeted and improvements in monitoring allowed funds to be reallocated to revised priorities during the year. This has resulted in several refurbished and redeveloped areas that have met with rapid favour among staff and students, including the new dining room, arts centre foyer, student cinema and The View (formerly the Staff Club) which is now a vastly improved social learning and meeting space for students and staff alike.

The balance sheet remains strong, with a strong level of cash reserves to support the on-going needs of the strategy. The University continued to invest in the asset base during 2016/17 with a focus on the development of student-centred spaces. The University is in a robust position to meet its loan covenants. The strategic plan and the financial key performance indicators for the year have been achieved.

Statement of Responsibilities of the Board of Governors

The Companies Act 2006 and the Office for Students require the Board of Governors to ensure that financial statements are prepared for each financial year which give a true and fair view of the state of affairs of the University and the Group, and of the income and expenditure, cash flows and recognised gains and losses of the group for that period.

In preparing these financial statements, the Board has to ensure that they:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

To assist the members of the Board of Governors in discharging its ultimate responsibility, the University's Finance and Resources Committee and the Audit Committee are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the University and enable it to ensure that the financial statements comply with the Companies Act 2006 and the Accounts Direction issued by the Office for Students.

Report of the Members of the University Board of Governors

The Board of Governors, as the directors of the University of St Mark & St John, presents the University's annual report and audited financial statements for the year ended 31 July 2018.

Tax Status

The University is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2012 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2012 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fixed Assets

Freehold property is included in the Balance Sheet at cost.

Employees

Health, safety and security matters are given special attention by the members of the University, and it is their policy to ensure that continued employment is offered to employees who become temporarily or permanently disabled and to provide special facilities wherever possible. The University Board of Governors also recognises the need to provide information on matters of concern to employees which is satisfied through its consultative procedures.

Payment of Creditors

The University's policy is to obtain the best terms for all business and, thus, there is no single policy as to the terms used in agreements negotiated with suppliers. The University endeavours to include and abide by specific payment terms.

Governors' Liability Insurance

The University has purchased Governors' liability insurance for the members of the University Board of Governors for the year ended 31 July 2018.

Members' Statement as to Disclosure of Information to Auditor

The members of the University Board of Governors at the time of approving this report are listed on page 4. Having made enquiries of fellow members, each of these members confirm that:

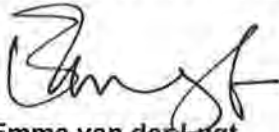
- To the best of each member's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditor is unaware;
- Each member has taken all the steps a member of the University Board of Governors might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information, and
- Each member of the University Board of Governors has confirmed that they did not have any transactions with the University or its subsidiaries which would require disclosure in the accounts under FRS102.

Report of the Members of the University Board of Governors (continued)

Auditor

Bishop Fleming LLP were appointed as external auditor for the year 2017/18 in line with their appointment in 2015/16 following a competitive tender process.

The financial statements on pages 19 to 44 were approved by the Board of Governors of the University of St Mark & St John on 14 November 2018 and signed on its behalf by:



Emma van der Lugt
Interim Chair of the Board of Governors



Professor Rob Warner
Vice-Chancellor

Statement of Directors' Responsibilities in respect of the Consolidated Financial Statements

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Corporate Governance

Moral and Ethical Environment

The University endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership). In accordance with these principles the University maintains a publicly accessible register of Governors interests and declared trusteeships or directorships. Provisions relating to declaration of interests are specified in the Articles of the University and members are asked to declare interests at every meeting.

The University is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the University has applied the principles set out in 'UK Corporate Governance Code' as published by the Financial Reporting Council in June 2007. In the opinion of the members of the University Board of Governors, the University complies with all the provisions of the Combined Code in so far as they apply to the Higher Education Sector, as adopted by the Committee of University Chairmen (CUC), and it has complied throughout the year ended 31 July 2018. The CUC code continues to be adopted on a 'comply or explain' basis.

How the University Is Governed

Members of the Governing Body of the University accept responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding public and other funds and assets for which we are responsible, in accordance with the Memorandum and Articles of Association of the University of St Mark & St John and the Financial Memorandum with the OFS.

Members of the Governing Body are trustees and directors of the Board and as such their primary responsibilities in accordance with the Articles of Association are as follows:

- the Governing Body will be responsible for assignment, subject to the other express provisions of the Articles, of the duties and responsibilities of the Vice-Chancellor, of the Holders of Senior Posts, Clerk and the Chaplain.
- the determination of the educational character and objectives of the University and for the supervision of its activities;
- the effective and efficient use of resources, the solvency of the University and for safeguarding its assets;
- approving annual estimates of income and expenditure;
- the determination of which posts are Senior Posts, save that the Vice-Chancellor, Chaplain and Clerk shall always be Holders of Senior Posts;
- the appointment, discipline, suspension and dismissal and the determination of the grading, pay and conditions of service of the Holders of Senior Posts;
- the agreement of the policy for pay and general conditions of employment of the Staff who are not Holders of Senior Posts; and
- the appointment of Auditors; and
- discharging all other duties of the directors of a charitable company limited by guarantee carrying on the business of the Company.

The Board has established an Academic Board which is responsible, under delegated responsibility from the Board of Governors, for maintaining and enhancing academic performance of the University in teaching, examining and research. It will provide regular reports to the Board of Governors on these matters such that the Board of Governors are able to provide assurance on the continuous improvement of the student academic experience and student outcomes, the methodologies used and ensuring that the standards of the awards for which it is responsible are appropriately set and maintained. A Board sub-committee was also formed in October 2017 concerned with matters of Academic Standards and Student Experience.

Statement of Corporate Governance (continued)

How the University is Governed (continued)

The Marjon Student Union is a company limited by guarantee with charitable status, but under the Education Act 1994 the University's Board of Governors is responsible for general oversight. The University has the Student Union President as a Board member and receives regular input and an annual report from the Union.

Governance during the year

The Governing Body of the University met four times in 2017/18. The University Board of Governors has five committees and one task group, which met on the following occasions:

1. Finance & Resources Committee – four meetings in 2017/18
2. Audit Committee – three meetings in 2017/18
3. Remuneration Committee – met twice to determine the remuneration of senior staff including the Vice-Chancellor
4. Governance & Nominations Committee - met three times to consider nominations for vacancies to the University Board of Governors and its committees.
5. Academic Standards & Student Experience Committee – Two meetings in 2017/18
6. Estates Development Task Group - five meetings in 2017/18

The Governing Body considered and approved the revenue and capital budgets, Annual Monitoring Statement and the Financial Forecasts.

The University Board of Governors received reports at their meetings on:

- a) National and Regional Developments
- b) Academic issues such as the results of the Destinations of Leavers from Higher Education (DLHE) survey
- c) Partnership developments and collaborative provision,
- d) The Prevent Duty, as well as updates on the general financial situation, changes in key staff and University events and activities and reports to and from OfS.
- e) The management accounts and other financial information.
- f) Legal and estates matters.
- g) Reports from departments as well as from the MSU President, Chaplain, Vice-Chancellor and Committee Chairs
- h) Equality and diversity and gender and pay
- i) Any fraudulent, health and safety or whistleblowing incidents
- j) Details of Risk Management issues and developments.
- k) Student recruitment, retention and performance
- l) KPIs and Strategy
- m) Minutes of the meetings of the Finance & Resources Committee, Audit Committee, Academic Standards & Student Experience Committee, Estates Development Task Group, Governance & Nominations Committee and Academic Board. In addition to the minutes, the Chairs of the respective committees frequently provided oral reports and received and responded to questions from Board of Governor members. The Remuneration Committee provides an annual report to the Board in place of minutes.

The Finance & Resources Committee of the University Board of Governors examined all financial plans and forecasts, considered data on key operational issues, student recruitment, quality assessments and on risk management issues with particular emphasis on key financial risks identified as relating to each operational year. Their recommendations on these and other issues were made to the University Board of Governors. The Finance & Resources Committee also consciously took a greater focus on HR, Marketing and other resourcing issues.

The Audit Committee met with the Internal Auditors on three occasions during the year to consider internal Audit Reports, review and plan forthcoming internal audit reviews and to receive the Internal Auditors annual report. The Committee met with the External Auditors twice in 2017/18 to consider the audit plan and to

Statement of Corporate Governance (continued)

Governance during the year (continued)

consider and receive the audit findings report and financial statements for the year. A representative from the University attended all meetings but, at the request of the Chair of the Audit Committee, left the meeting as needed so that independent discussions could take place between members of the Audit Committee and the Internal and/or External Auditors. The Chair of the Audit Committee provided an annual report for the University Board of Governors, which included reference to a report on value for money initiatives undertaken by the University.

During 2017/18 the Audit Committee commissioned reviews including:

Key Financial controls, Student data controls, Governance structures and effectiveness, risk management, partnerships and on-site provision and data returns and review processes. as a follow-up review of outstanding recommendations from 2016/17 audit reports.

Internal Control

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the likelihood, nature and extent of those risks, aim to reduce the impact of the risks whilst seeking to ensure that all risks, and opportunities, are managed efficiently, effectively and economically. The continuous review of risk includes business, operational and compliance risk as well as financial risk. This process has been in place for the year ended 31 July 2018 and up to the date of approval of the financial statements and accords with OfS guidance.

The process for risk assessment is embedded in the ongoing operation of the University. The strategic risk register is updated throughout the year and reviewed at the main committees of the Board of Governors. The Senior Management Team and their sub-committees also review the risks at their meetings throughout the year, providing regular reports on internal control and risk and highlighting any changes to the Board. The Audit committee reviews risk identification, evaluation and management reporting to the Board of Governors which is ultimately responsible for ensuring that a sound system of internal control is maintained. The process has been reviewed by the auditors and considered to be working effectively. Following support from the internal auditors' further improvements have been made to the use and presentation of key risks on the risk register.

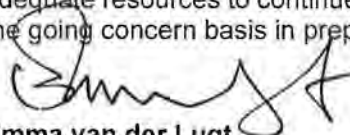
Our review of the effectiveness of the system of internal control is informed by the work of the executive managers within the institution, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the External Auditors in their reports. The External Auditors have provided a highlights memorandum and management letter in connection with the 2017/18 financial statements and their report to the Audit Committee will be forwarded to the OfS.

The Board, through the Audit Committee, has reviewed the effectiveness of the system of control operating in 2017/18 and up to the date of approval of these financial statements.

In 2017/18 one high risk internal control issue was identified by the Internal Auditors. The review of governance structures and effectiveness identified that following a period of restructure and transition, the Senior Management Group was the main Executive decision-making committee. The terms of reference for this committee had not been adapted since 2015 and therefore it was unclear whether all matters were being completely captured under the new structure. The Terms of Reference and cycle of business for the Senior Management Group have since been updated and a permanently appointed Secretary to SMT is in post.

Going Concern

After making appropriate enquiries, the University Board of Governors considers that the University has adequate resources to continue in operational existence for the foreseeable future. For this reason they adopt the going concern basis in preparing the financial statements.


Emma van der Lugt

Interim Chair of the Board of Governors

Independent Auditor's Report to the Members of The University of St Mark & St John (a company limited by guarantee)

Opinion

We have audited the financial statements of University of St Mark & St John (the 'University') for the year ended 31 July 2018 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Balance Sheet, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of affairs of the University as at 31 July 2018 and of the University's surplus of income over expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice – Accounting for Further and Higher Education;
- Meet the requirements of the OfS's Accounts Direction; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

Independent Auditor's Report to the Members of The University of St Mark & St John (a company limited by guarantee)

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Report of the Members of the University Board of Governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Opinion on other matters prescribed by the OfS Accounts Direction

In our opinion:

- Funds from whatever source administered by the University for the specific purposes have been applied to those purposes and managed in accordance with relevant legislation;
- Funds provided by HEFCE and the OfS have been applied in accordance with the relevant terms and conditions and any other terms and conditions attached to them; and
- The requirements of the OfS's accounts direction have been met; and
- The corporate governance and internal control requirements of the OfS accounts direction have been met.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the University and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the Report of the Members of the University Board of Governors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 12, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report to the Members of The University of St Mark & St John (a company limited by guarantee)

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the University's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the University's members 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 University's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nathan Coughlin FCA (Senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 29 November 2018

**Consolidated Statement of Comprehensive Income and Expenditure
Year Ended 31 July 2018**

		Year ended 31 July 2018	Year ended 31 July 2017
	Notes	Consolidated £'000	Consolidated £'000
Income			
Tuition fees and education contracts	1	19,994	17,861
Funding body grants	2	1,390	2,136
Research grants and contracts	3	375	441
Other income	4	4,818	5,355
Investment income	5	466	601
Total income		27,043	26,394
Expenditure			
Staff costs	6	11,118	13,568
Other operating expenses	8	11,693	11,673
Depreciation	9	1,840	1,496
Interest and other finance costs	7	1,033	1,087
Total expenditure		25,684	27,824
Surplus/(deficit) for the year		1,359	(1,430)
Actuarial gain in respect of pension schemes		2,597	2,410
Total comprehensive income for the year		3,956	980

All items of income and expenditure relate to continuing activities.

Notes on pages 28 - 44 form part of these financial statements.

**Consolidated and University Statement of Changes in Reserves
 Year Ended 31 July 2018**

Consolidated	Income and expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
Balance at 1 August 2016	15,334	3,699	19,033
Deficit from income and expenditure statement	(1,430)	-	(1,430)
Other comprehensive income	2,410	-	2,410
Total comprehensive income for the year	980	-	980
Balance at 1 August 2017	16,314	3,699	20,013
Surplus from income and expenditure statement	1,359	-	1,359
Other comprehensive income	2,597	-	2,597
Total comprehensive income for the year	3,956	-	3,956
Balance as at 31 July 2018	20,270	3,699	23,969

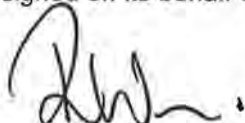
University	Income and expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
Balance at 1 August 2016	15,441	3,699	19,140
Deficit from income and expenditure statement	(1,430)	-	(1,430)
Other comprehensive income	2,410	-	2,410
Total comprehensive income for the year	980	-	980
Balance at 1 August 2017	16,421	3,699	20,120
Surplus from income and expenditure statement	1,359	-	1,359
Other comprehensive income	2,597	-	2,597
Total comprehensive income for the year	3,956	-	3,956
Balance as at 31 July 2018	20,377	3,699	24,076

Notes on pages 28 – 44 form part of these financial statements.

**Consolidated and University Balance Sheet
Year Ended 31 July 2018**

	Notes	As at 31 July 2018		As at 31 July 2017	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Fixed assets	9	35,720	35,738	33,777	33,795
Investments	10	3,942	3,942	3,608	3,608
		<u>39,662</u>	<u>39,680</u>	<u>37,385</u>	<u>37,404</u>
Current assets					
Stock	11	3	3	19	19
Trade and other receivables	12	1,190	1,279	1,343	1,431
Cash and cash equivalents	17	7,063	7,063	9,978	9,978
		<u>8,256</u>	<u>8,345</u>	<u>11,340</u>	<u>11,428</u>
Less: Creditors: amounts falling Due within one year	13	(4,086)	(4,086)	(6,741)	(6,741)
Net current assets		<u>4,170</u>	<u>4,259</u>	<u>4,599</u>	<u>4,687</u>
Total assets less current liabilities		<u>43,832</u>	<u>43,939</u>	<u>41,984</u>	<u>42,091</u>
Creditors: amounts falling due after more than one year	14	(10,023)	(10,023)	(10,780)	(10,780)
Provisions					
Pension provisions	16	(9,840)	(9,840)	(11,191)	(11,191)
Total net assets		<u>23,969</u>	<u>24,076</u>	<u>20,013</u>	<u>20,120</u>
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		20,270	20,377	16,314	16,421
Revaluation reserve		3,699	3,699	3,699	3,699
Total Reserves		<u>23,969</u>	<u>24,076</u>	<u>20,013</u>	<u>20,120</u>

The financial statements were approved by the University Board of Governors 14 November 2018 and were signed on its behalf on that date by:



Professor Rob Warner
Vice-Chancellor and Chief Executive



Emma van der Lugt
Interim Chair of the Board of Governors

Company registered number: 07635609
Notes on pages 28 – 44 form part of these financial statements.

**Consolidated Statement of Cash Flows
Year Ended 31 July 2018**

	Notes	Year ended 31 July 2018 £'000	Year ended 31 July 2017 £'000
Cash flow from operating activities			
Surplus/(deficit) for the year		1,359	(1,430)
Adjustment for non-cash items			
Depreciation	9	1,840	1,496
Loss on disposal of fixed assets		-	786
Decrease in stock	11	16	11
Decrease in debtors	12	151	666
Revaluation gain on investments	5	(253)	(412)
Actuarial movement on pension		2,597	2,410
Increase/(decrease) in creditors	13	(2,615)	748
Decrease in pension provision	16	(1,351)	(1,420)
Adjustment for investing or financing activities			
Income from dividends	5	(198)	(118)
Interest payable	7	1,033	1,087
Interest receivable	5	(15)	(38)
Taxation		6	10
Net cash inflow from operating activities		2,570	3,813
Cash flows from investing activities			
Payments made to acquire fixed assets	9	(3,783)	(1,918)
Purchase of investments	10	(468)	(839)
Sale of investments	10	388	1,020
Interest received	5	15	38
Income from investments	5	198	118
		(3,650)	(1,581)
Cash flows from financing activities			
Interest paid	7	(1,033)	(1,087)
Repayments of amounts borrowed		(802)	(793)
		(1,835)	(1,880)
(Decrease)/Increase in cash and cash equivalents in the year		(2,915)	352
Cash and cash equivalents at beginning of the year	17	9,978	9,626
Cash and cash equivalents at end of the year	17	7,063	9,978

Notes on pages 28 – 44 form part of these financial statements.

Statement of Accounting Policies Year Ended 31 July 2018

1. General Information

The University of St Mark & St John is a company limited by guarantee, incorporated in England. Its registered address is as disclosed on page 3 of the financial statements.

2. Basis of Preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standards (FRS 102). The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention.

3. Basis of Consolidation

The consolidated financial statements include the University and its subsidiary (Marjon (South West) Limited) for the financial year to 31 July 2018. Intra-group transactions are eliminated on consolidation. In the Company's accounts, investment in subsidiaries are stated at cost less amounts written off.

In accordance with section 408 of the Companies Act 2006 the University of St Mark & St John is exempt from the requirement to present its own income and expenditure account.

4. Income Recognition

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

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

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

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

Grant Funding

Grant funding including funding council block grant, research grants from government sources, grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

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

Capital Grants

Capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

Statement of Accounting Policies (continued) **Year Ended 31 July 2018**

5. Going Concern

The University has sufficient financial resources together with continued funding. As a consequence, the directors believe that the University is well placed to manage its business risk successfully despite the current uncertain economic outlook. Detailed scenario planning has been undertaken with regard to possible changes in student behaviour as a result of the new fee regime and a 10 year strategic plan has been prepared. The directors are confident that the University is in a position to respond to the changes and remain a going concern.

The directors have a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

6. Accounting for Retirement Benefits

The 4 principal pension schemes for the University are:

1. Universities Superannuation Scheme (USS)
2. London Pensions Fund (LGPS)
3. Teachers' Pension Scheme (TPS)
4. Church of England Pension Fund (CoE)

The schemes are defined benefit schemes which are externally funded and contracted out of the State.

Each fund is valued every three years by professionally qualified independent actuaries.

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

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

Defined Contribution Plan

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

Defined Benefit Plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The Group should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Statement of Accounting Policies (continued) **Year Ended 31 July 2018**

6. Employment Benefits

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

7. Operating Leases

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

8. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Buildings and Integral Fixtures and Fittings

Depreciation has been provided at 2% on buildings and on fixtures and fittings that form an integral part of the buildings in which they have been installed.

No depreciation is charged on freehold land.

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

Other Fixtures and Fittings and Equipment

Assets costing less than £5,000 per individual item or group of related items are written off in the year of acquisition. All other assets are capitalised.

Assets funded on a replacement basis by means of maintenance grants receivable from the OfS are written off in the year in which they are purchased.

Assets qualifying for special capital grants receivable from the OfS and all other new assets purchased are capitalised in the financial statements and written off in equal instalments over their estimated useful lives as follows:

Temporary classrooms and other modular buildings:	between 10 and 20 years
All other equipment:	between 3 and 5 years

9. Capitalisation of Interest

Interest on loan finance in relation to the construction of new buildings has been capitalised as tangible fixed assets and is written off over the useful life of the assets to which it relates.

10. Finance Costs

The finance cost of loans is allocated on an effective interest rate basis over the term of the individual loans.

11. Investments

Fixed asset investments are carried at market value and the movement in market values is taken to the Statement of Comprehensive Income. Diminution in value is also charged to the Statement of Comprehensive Income.

Statement of Accounting Policies (continued) **Year Ended 31 July 2018**

12. Stock

Stocks of food, catering items and stationery are valued at the lower of cost and net realisable value.

All other consumables are written off in the year of purchase.

13. Cash and Cash Equivalents

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

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

14. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised in the financial statements when:

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

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

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

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

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

15. Foreign Currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the Statement of Comprehensive Income.

16. Taxation Status

The University is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2014 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2014 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

17. Maintenance Costs

The cost of routine maintenance is charged to the Statement of Comprehensive Income in the period it is incurred. The University has a planned maintenance programme which is reviewed on an annual basis. Actual expenditure on planned maintenance is charged to the income and expenditure account in the period in which it is incurred.

Statement of Accounting Policies (continued)
Year Ended 31 July 2018

18. Financial Instruments

The University only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the School and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 13 and 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

19. Judgements in Applying Accounting Policies and Key Sources of Estimation of Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the year. However the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on the amounts recognised in the financial statements.

Pension assumptions: Included in the financial statements is a liability in respect of the University's share of the LGPS pension deficit. This deficit is calculated by an independent actuary who predict the potential outlay required pensions become payable to retired employees. This prediction is based on a large number of estimates driven by market data.

Bad debt provision: Included in the financial statements is a provision for expected bad debts. This provision is calculated by the University based on their knowledge of the industry and prior year experience when recovering debtors.

**Notes to The Accounts
Year Ended 31 July 2018**

1 Tuition fees and education contracts

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Full-time home and EU students	19,105	19,105	17,250	17,250
Full-time international students	258	258	271	271
Part-time students	631	631	340	340
	<u>19,994</u>	<u>19,994</u>	<u>17,861</u>	<u>17,861</u>

2 Funding body grants

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Recurrent grant				
Higher Education Funding Council/OfS	1,389	1,389	2,091	2,091
National College for Teaching & Leadership	-	-	35	35
Other	1	1	-	-
	<u>1,390</u>	<u>1,390</u>	<u>2,136</u>	<u>2,136</u>

3 Research grants and contracts

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Government (UK and overseas)	375	375	441	441

4 Other income

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Residents, catering and conferences	1,789	1,789	2,565	2,565
Other income	3,029	3,029	2,790	2,790
	<u>4,818</u>	<u>4,818</u>	<u>5,355</u>	<u>5,355</u>

Notes to The Accounts (continued)
Year Ended 31 July 2018

5 Investment income

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Investment income	198	198	151	151
Interest receivable	15	15	38	38
Investment revaluation	253	253	412	412
	<u>466</u>	<u>466</u>	<u>601</u>	<u>601</u>

6 Staff costs

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Salaries	8,051	8,051	9,812	9,812
Restructuring costs	179	179	739	739
Social security costs	755	755	830	830
Other pension costs	2,133	2,133	2,187	2,187
Total	<u>11,118</u>	<u>11,118</u>	<u>13,568</u>	<u>13,568</u>

	2018 £'000	2017 £'000
Emoluments of the Vice-Chancellor		
Salary	157	153
Social security costs	21	21
Pension contributions	25	23
	<u>203</u>	<u>197</u>

The emoluments of the Vice-Chancellor are shown on the same basis as for higher paid staff and include salary, bonus and other taxable benefits.

The remuneration package provided to the Vice-Chancellor includes salary and pension costs only. The salary for the Vice-Chancellor was set in April 2018 by Remuneration Committee, without the Vice-Chancellor in attendance. The salary is determined by taking account of the size of the institution and the considerable improvement in performance seen within the year. The Remuneration Committee seeks comparative information on salaries and other emoluments and conditions in the sector from the Universities and Colleges Employers' Association (UCEA) to inform decisions and ensure that all arrangements are unambiguous and diligently recorded. Comparative data is also taken from post 92 universities and Higher Education Corporations (HECs) by institutional income up to £24m and the £24m – £70m bracket. Mission group data from GuildHE and Cathedrals Group is also used as a comparator.

The Vice-Chancellor's basic salary is 7.7 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

Notes to The Accounts (continued)
Year Ended 31 July 2018

6 Staff costs (continued)

The Vice-Chancellor's total remuneration is 7.7 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 provider of its staff.

The members of the Board of Governors do not receive any remuneration in their capacity as directors. Certain members are employed by the University as academic and administrative staff.

The number of staff, including the accounting officer, but excluding the Vice-Chancellor who received annual emoluments, excluding employer's pension contributions but including benefits in kind in the following ranges:

	2018 No.	2017 No.
£125,000 to £129,999	0	1

Total compensation for loss of office payable to 9 staff (2017: 36 staff) was £179,000 (2017: £739,000).

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University and are considered to be the senior management team as noted on page 5. Staff costs includes compensation paid to key management personnel.

	2018 £'000	2017 £'000
Key management personnel compensation (including pension and social security)	794	1,066

Council members

No payments have been made to council members in the year ending 31 July 2018 (2017: £nil). The total expenses paid to or on behalf of 18 council members was £4,681 (2017: £3,658 to 20 council members). These travel and subsistence expenses were incurred in attending Council, Committee meetings and Charity events in their official capacity.

	2018 No.	2017 No.
Average staff numbers by major category		
Academic	81	94
Professional services and other	188	241
	269	335

Notes to The Accounts (continued)
Year Ended 31 July 2018

7 Interest and other finance costs

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Loan interest	739	739	783	783
Pension interest costs	294	294	304	304
	1,033	1,033	1,087	1,087

8 Analysis of total expenditure by activity

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Academic and related expenditure	6,658	6,658	4,997	4,997
Administration and central services	899	899	1,056	1,056
Premises (incl. service concession cost)	2,652	2,652	2,759	2,759
Residences, catering and conferences	307	307	826	826
Loss on disposal of fixed assets	-	-	787	787
Other expenses	1,177	1,177	1,248	1,248
	11,693	11,693	11,673	11,673
Other expenses include:				
External auditors' remuneration				
- in respect of audit services	20	20	21	21
- in respect of non-audit services	1	1	2	2
Operating lease rentals:	22	22	34	34

9 Fixed Assets

Consolidated	Freehold Land & Buildings £'000	Leasehold Land & Buildings £'000	Fixtures, Fittings & Equipment £'000	Total £'000
Cost				
At 1 August 2017 (as previously stated)	40,911	1,603	17,675	60,189
Reclassification and write off of previously disposed assets	(8,393)	(1,603)	987	(9,009)
At 1 August 2017 (as restated)	<u>32,518</u>	<u>-</u>	<u>18,662</u>	<u>51,180</u>
Additions	-	-	3,783	3,783
As at 31 July 2018	<u>32,518</u>	<u>-</u>	<u>22,445</u>	<u>54,963</u>
Depreciation				
At 1 August 2017 (as previously stated)	10,315	1,603	14,494	26,412
Reclassification and write off of previously disposed assets	(2,624)	(1,603)	(4,782)	(9,009)
At 1 August 2017 (as restated)	<u>7,691</u>	<u>-</u>	<u>9,712</u>	<u>17,403</u>
Charge for the year	563	-	1,277	1,840
As at 31 July 2018	<u>8,254</u>	<u>-</u>	<u>10,989</u>	<u>19,243</u>
Net book value				
At 31 July 2018	<u>24,264</u>	<u>-</u>	<u>11,456</u>	<u>35,720</u>
At 31 July 2017	<u>24,827</u>	<u>-</u>	<u>8,950</u>	<u>33,777</u>

Notes to The Accounts (continued)
Year Ended 31 July 2018

9 Fixed Assets (continued)

University

	Freehold Land & Buildings £'000	Leasehold Land & Buildings £'000	Fixtures, Fittings & Equipment £'000	Total £'000
Cost				
At 1 August 2017 (as previously stated)	40,928	1,603	17,585	60,116
Reclassification and write off of previously disposed assets	(8,393)	(1,603)	987	(9,009)
At 1 August 2017 (as restated)	<u>32,535</u>	<u>-</u>	<u>18,572</u>	<u>51,107</u>
Additions	-	-	3,783	3,783
As at 31 July 2018	<u>32,535</u>	<u>-</u>	<u>22,355</u>	<u>54,890</u>
Depreciation				
At 1 August 2017 (as previously stated)	10,315	1,603	14,403	26,321
Reclassification and write off of previously disposed assets	(2,624)	(1,603)	(4,782)	(9,009)
At 1 August 2017 (as restated)	<u>7,691</u>	<u>-</u>	<u>9,621</u>	<u>17,312</u>
Charge for the year	563	-	1,277	1,840
As at 31 July 2018	<u>8,254</u>	<u>-</u>	<u>10,898</u>	<u>19,152</u>
Net book value				
At 31 July 2018	<u>24,281</u>	<u>-</u>	<u>11,457</u>	<u>35,738</u>
At 31 July 2017	<u>24,844</u>	<u>-</u>	<u>8,951</u>	<u>33,795</u>

At 31 July 2018, freehold land and buildings included £3,884,000 (2017: £3,884,000) in respect of freehold land which is not depreciated.

A full valuation of the University's land was carried out on 27 April 2015 by Vickery Holman who are an independent valuation firm. This valuation was carried out in accordance with RICS Appraisal and Valuation Standards issued by the Royal Institution of Chartered Surveyors.

The valuation has been taken as deemed cost as at 1st August 2014, this is permitted under FRS102 as a transition exemption and a policy of revaluation does not need to be adopted going forward.

The opening cost and accumulated depreciation has been restated by £9,009,000 due to a large number of fully written down assets being removed from the fixed asset register. These assets had been disposed of several years ago. A number of existing assets have also been reclassified from land and building to fixtures and fittings to better reflect the nature of the assets. No changes were made to the useful economic lifetime of these assets.

Notes to The Accounts (continued)
Year Ended 31 July 2018

10 Non-Current Investments

Consolidated	Subsidiary companies	Quoted investments	Total
	£	£	£
At 1 August 2017	-	3,608,429	3,608,429
Additions	-	467,814	467,814
Disposals	-	(388,242)	(388,242)
Revaluation	-	253,507	253,507
At 31 July 2018	-	3,941,508	3,941,508
University	£	£	£
At 1 August 2017	100	3,608,429	3,608,529
Additions	-	467,814	467,814
Disposals	-	(388,242)	(388,242)
Revaluation	-	253,507	253,507
At 31 July 2018	100	3,941,508	3,941,608

The historic cost of the quoted investments was £3,104,143 (2017: £3,196,398).

The University holds 100 Ordinary shares of £1 each, which represents 100% of the share capital of Marjon (South West) Limited, a company incorporated in England. The principal activity of Marjon (South West) Limited in 2013/14 was the provision of catering services. In 2014/15 these activities were carried through the University. Since then Marjon (South West) Limited has been dormant. Marjon (South West) Limited has net liabilities of £87,703 (2017: £87,703) and the results have been consolidated into these financial statements.

11 Stock

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Raw materials and consumables	3	3	19	19

Notes to The Accounts (continued)
Year Ended 31 July 2018

12 Trade and other receivables

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts falling due within one year:				
Fees and grants receivable	411	411	592	592
Other receivables	161	162	205	205
Prepayments and accrued income	618	618	546	546
Amounts due from subsidiary companies	-	88	-	88
	1,190	1,279	1,343	1,431

13 Creditors: amounts falling due within one year

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Bank loans	695	695	659	659
Investors loans	62	62	52	52
Unsecured loans	-	-	90	90
Trade payables	1,243	1,243	2,805	2,805
Social security and other taxation payable	366	366	402	402
Other creditors	109	109	85	85
Accruals and deferred income	1,611	1,611	2,648	2,648
	4,086	4,086	6,741	6,741

The bank and investors loans are secured by a fixed charge over specific University assets.

The unsecured loan was a 'Recoverable Grant' from HEFCE, designed to encourage investment in energy efficiency in the University. This loan has a recovery profile connected to the payback period of the investment made.

Deferred income

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

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Research grants received on account	-	-	111	111
Grant income	-	-	544	544
Other income	524	524	569	569
	524	524	1,224	1,224

Notes to The Accounts (continued)
Year Ended 31 July 2018

14 Creditors: amounts falling due after more than one year

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Investors' loan	499	499	561	561
Bank loans:				
Capital Development loan	466	466	817	817
Estate Development loan	9,058	9,058	9,402	9,402
	<u>10,023</u>	<u>10,023</u>	<u>10,780</u>	<u>10,780</u>

14 Creditors: amounts falling due after more than one year (continued)

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Analysis of secured and unsecured loans:				
Due within one year or on demand (note 13)	757	757	801	801
Due between one and two years	802	802	757	757
Due between two and five years	1,598	1,598	1,867	1,867
Due in five years or more	7,623	7,623	8,156	8,156
Due after more than one year	<u>10,023</u>	<u>10,023</u>	<u>10,780</u>	<u>10,780</u>
Total secured and unsecured loans	<u>10,780</u>	<u>10,780</u>	<u>11,581</u>	<u>11,581</u>

The estate development and capital development bank loans are secured on certain land and building assets of the University. The investors' loan is secured on 36 rooms within University accommodation buildings.

The capital development loan carries interest at 5.5% and is repayable over 15 years commencing November 2005. The repayment and interest costs associated with this loan are completely covered by rental income received from Plymouth University for use of the premises built with the capital development loan.

The investors' loan carries interest at an effective rate of 10.3% per annum and is repayable over 25 years commencing in December 1998. The loan is also secured on a bank deposit account holding 2018: £150,959 (2017: £87,000) included in cash at bank and in hand. The bank deposit account is a fund for the repayment of the BES loan (see note 15) which is the nature of the security. The University cannot access these funds without the consent of Capital Ventures Plc.

The Barclays estate development loan carries interest at a rate of 6.65% and is repayable over 25 years commencing in 2011. The loan to finance estates developments is unsecured although the first Barclays loan, taken out in 2005, is secured on the legal mortgage over the freehold property known as the Peninsular Allied Health Centre.

Notes to The Accounts (continued)
Year Ended 31 July 2018

15 Business Expansion Scheme

In 1994 the University raised finance from Marjon Tenancies 1 Limited ("Tenancies"), a company formed under the Business Expansion Scheme, by the sale of leasehold interests in 36 of its student accommodation rooms. Tenancies in turn have let the rooms under assured tenancies and the income generated will be set aside to provide return to its investors. The University is committed to the purchase of the shareholdings of investors in Tenancies at predetermined amounts starting in December 1998 and annually thereafter for a further 25 years. Penalty provisions apply in the event of default by the University, but in the opinion of the Board of Governors the possibility of these being invoked is remote.

The University is now the majority shareholder of Marjon Tenancies 1 Limited however the results of this entity have not been included in these consolidated financial statements. This is because the University considers that the substance of the relationship is to raise finance for the construction of student accommodation, therefore the University make repayments each year to repurchase the shares in Tenancies. These payments are treated as the repayment of the loan balance.

The net proceeds raised by the issue of shares in Tenancies has been treated in these financial statements as an investor's loan.

16 Provisions for liabilities

Consolidated	Defined Benefit Obligations (Note 20) £'000
At 1 August 2017	(11,191)
Additions in 2017/18	1,351
At 31 July 2018	(9,840)

University	Defined Benefit Obligations (Note 20) £'000
At 1 August 2017	(11,191)
Additions in 2017/18	1,351
At 31 July 2018	(9,840)

17 Cash and cash equivalents

Consolidated	At 1st August 2017 £'000	Cash Flows £'000	At 31st July 2018 £'000
Cash and cash equivalents	<u>9,978</u>	<u>(2,915)</u>	<u>7,063</u>

Notes to The Accounts (continued)
Year Ended 31 July 2018

18 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2018:

	31 July 2018		31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Commitments contracted for	-	-	2,267	2,267

19 Contingent liabilities

Group and University

Those grants received which are treated as deferred income (see note 13) together with other grants, may become repayable if certain events occur - typically, the University ceasing to be a higher education institution. In the opinion of the Board of Governors the possibility of any of these events occurring is remote, accordingly no detailed disclosure is given.

20 Pension Schemes

The University participates in four defined benefit pension schemes as follows:

- Teachers' Pension Scheme (TPS)
- Universities Superannuation scheme (USS)
- London Pensions Fund (LGPS)
- Church of England Pension Fund

Details of the schemes are as follows:

Total pension costs for the year

	Year ended 31 July 2018 £000	Year ended 31 July 2017 £000
TPS: contributions paid	587	653
USS: contributions paid	30	54
CoE: contributions paid	4	9
Local Government Pension Scheme: Contributions paid	588	809
FRS102 charge	924	662
Total pension cost for the year within staff cost	2,133	2,187

i. Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic for teachers and lecturers in part-time employment following appointment or a change of contract, although they are able to opt out.

**Notes to The Accounts (continued)
 Year Ended 31 July 2018**

20 Pension Schemes (continued)

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

Under the definitions set out in FRS102 (28.11), the TPS is a multi-employer pension plan. The University is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly the University has taken advantage of the exemption in FRS102 and has accounted for the contributions to the scheme as if it were a defined-contribution plan.

ii. Universities' Superannuation Scheme

The University participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited.

The University has 1 (2017: 2) active members participating in the scheme, to include both final salary and career revalued benefit schemes. The current employer contribution rate is 18%.

The latest triennial actuarial valuation of the scheme was at 31 March 2017. Key highlights from this report are as follows:

Funding position

	As at 31 March 2018 (£bn)	As at 31 March 2017 (£bn)
Liabilities	72.0	77.5
Assets	63.6	60.0
Shortfall	(8.4)	(17.5)
Funding level	88%	77%

Notes to The Accounts (continued)
Year Ended 31 July 2018

20 Pension Schemes (continued)

iii. London Pension Fund

The London Pension fund provides members with benefits related to pay and service at rates which are defined under the Local Government Superannuation Regulations. To finance these benefits, assets are accumulated in the fund and are held separately from the assets of the University.

The University pays contributions to the fund at rates determined by the fund's actuaries, currently 15.48%, based on regular actuarial review of the financial position of the fund.

The pension costs are determined with the advice of independent qualified actuaries, on the basis of triennial valuations using the projected unit method. The result of the most recent valuation, which was conducted as at 31 March 2016 is as follows:

Main assumptions:	%
Discount rate	5.7
Rate of salary increases (% per annum)	3.9
Rate of pension increases (% per annum)	2.4
Market value of scheme assets (£000's)	4,549,608
Level of funding being the actuarial value of assets, expressed as a percentage of benefits accrued to members, after allowing for future salary increases	96%

The valuation used for FRS102 disclosures has been based on the most recent actuarial valuation as at 31 March 2016 and updated by Barnett Waddingham to take account of the requirements of FRS102 in order to assess the liabilities of the scheme at 31 July 2018. Scheme assets are stated at their market values at the respective balance sheet dates.

	2018	2017	2016
Main assumptions	%	%	%
Rate of salary increases	3.8	4.2	3.9
Rate of increase in pensions in payment	2.3	2.7	2.1
Discount rate	2.6	2.7	2.5
Inflation assumptions (RPI)	3.4	3.6	3.0

Notes to The Accounts (continued)
Year Ended 31 July 2018

20 Pension Schemes (continued)

The assets and liabilities of the whole scheme and the expected rate of return at 31 July are:

	Long term rate of return expected 2018 %	Value 2018 £000's	Long term rate of return expected 2017 %	Value 2017 £000's	Long term rate of return expected 2016 %	Value 2016 £000's
Equities	2.4	13,770	2.5	13,310	2.5	9,653
Bonds		5,028		4,503		4,562
Infrastructure		1,130		978		1,326
Commodities		-		-		100
Property		1,744		1,414		701
Cash		1,042		1,505		780
Cashflow matching		-		-		1,640
Total market value of assets		<u>22,714</u>		<u>21,710</u>		<u>18,762</u>

	2018 £000's	2017 £000's	2016 £000's
Estimated assets share for the University	22,714	21,710	18,762
Present value of scheme liabilities	(32,543)	(32,888)	(31,358)
Present value of unfunded liabilities	(11)	(13)	(15)
Net pension liability	<u>(9,840)</u>	<u>(11,191)</u>	<u>(12,611)</u>

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65, based on PFA92 and PMA92 tables, are:

	Males	Females
Current pensioners	20.8	24.6
Future pensioners	23.1	26.8

Notes to The Accounts (continued)
Year Ended 31 July 2018

20 Pension Schemes (continued)

An analysis of the defined benefit profit and loss cost attributes to the University for the year 31 July 2018 is as follows:

	2018 £000's	2017 £000's
Current service cost	1,523	1,502
Administrative expenses	28	24
Net interest on the defined liability	294	304
Total cost	<u>1,845</u>	<u>1,830</u>

Analysis of amounts that are recognised in Other Comprehensive Income (OCI) of the University:

	2018 £000's	2017 £000's
Changes in assumptions underlying the present value of scheme liabilities	2,015	(1,585)
Return on assets less interest	582	2,394
Experience gain on defined benefit obligation	-	1,794
Other actuarial gain/(loss)	-	(193)
Actuarial gain	<u>2,597</u>	<u>2,410</u>

Movement in the deficit attributable to the University during the year

	2018 £000's	2017 £000's
Reconciliation of the defined benefit obligation		
Opening defined benefit obligation	32,901	31,373
Service cost	1,523	1,502
Interest cost	878	777
Actuarial losses	(2,015)	1,947
Estimated benefits paid net of transfers in	(977)	(819)
Contributions to the scheme participants and other employees	246	279
Unfunded pension payments	(2)	(2)
Change in demographic assumption	-	(362)
Experience (gain) on defined benefit obligation	-	(1,794)
Closing defined benefit obligation	<u>32,554</u>	<u>32,901</u>

Notes to The Accounts (continued)
Year Ended 31 July 2018

20 Pension Schemes (continued)

Reconciliation of the fair value of scheme assets	2018 £000's	2017 £000's
Opening fair value of scheme assets	21,710	18,762
Interest on assets	584	473
Return on assets less interest	582	2,394
Administrative expenses	(28)	(24)
Contributions by the employer including unfunded	599	840
Contributions to the scheme participants and other employees	246	279
Estimate benefits paid plus unfunded net to transfers in	(979)	(821)
Other actuarial gain/(loss)	-	(193)
Closing fair value of fund assets	22,714	21,710

Reconciliation of opening and closing surplus	2018 £000's	2017 £000's
Deficit in the scheme at the beginning of the year	(11,191)	(12,611)
Movement in the year:		
Current service cost	(1,523)	(1,502)
Employer contributions	599	840
Other financial losses	(294)	(304)
Administrative expenses	(28)	(24)
Actuarial gains	2,597	2,410
Deficit in the scheme at end of year	(9,840)	(11,191)

	Group 2018 £000's	2017 £000's	University 2018 £000's	2017 £000's
Net assets				
Net assets excluding pension liability	33,809	31,204	33,916	31,311
Pension liability	(9,840)	(11,191)	(9,840)	(11,191)
Net assets including pension liability	23,969	20,013	24,076	20,120

- iv. The Church of England Pensions Scheme has 1 member and the contributions for the year ending 31 July 2018 were £4,022.

The latest valuation of the scheme was completed on the 31 December 2012. The total assets of the scheme at this date were £1,308m with total liabilities of £1,544m (a deficit of £236m).

Notes to The Accounts (continued)
Year Ended 31 July 2018

20 Pension Schemes (continued)

Under the definitions set out in FRS102 (28.11), the Church of England scheme is a multi-employer pension plan. The University is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly the University has taken advantage of the exemption in FRS102 and has accounted for the contributions to the scheme as if it were a defined-contribution plan.

21 Financial Instruments

	Group		University	
	2018	2017	2018	2017
	£'000s	£'000s	£'000s	£'000s
Financial instruments measured at amortised cost	723	902	812	990
Financial liabilities measured at amortised cost	13,585	16,297	13,585	16,297

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, bank loans, other creditors and accruals.

22 Related Party Transactions

The University has taken advantage of the exemption within FRS102 not to disclose transactions with all wholly owned subsidiaries.

Transactions have occurred with Marjon Tenancies 1 Limited (subsidiary - not wholly owned) in relation to the Business Enterprise Scheme (as documented in note 15). Interest has been charged to the University of £43,614 (2017: £48,840) and repayments have been made in the year of £92,718 (2017: £92,148).

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Plymouth Marjon University is a trading name of the University of St Mark & St John