

Annual Statements

2021-2022

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



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

Registered Number:

07635609

For the year ended

31 July 2022

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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

Stephen Plant (January 2021 – present)

External Auditor

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

Internal Auditor

PricewaterhouseCoopers LLP
2 Glass Wharf
Bristol
BS2 0FR

Bankers

Barclays Bank Plc
Corporate Banking
3rd Floor, 3 Bedford Street
Exeter
Devon
EX1 1LX

Solicitors

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

Insurers

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

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

Membership of the Board of Governors during the year ended 31 July 2022, up until the date on which the Financial Statements were approved by the Board of Governors, 24 November 2022 is shown below. Governors are registered as Directors of the Company with Companies House and also perform the role of Trustee.

Biographies and declared interests can be viewed on <https://www.marjon.ac.uk/about-marjon/governance--management/university-board-of-governors>

Governors	Category of Membership	Membership of Board Committees	Attendance~ Board (Committees)	Date Appointed	Current Term Due to End
Graham Raikes MBE, Chair of Board	Directly Appointed Independent Governor	Finance & Resources Committee; Governance & Nominations Committee; Remuneration Committee; People & Organisational Development Sub-Committee; Estates Project Group; Committee Chairs' Discussion Group; Health Education Advisory Group	4/4 (19/19)	01/11/2017	01/11/2026**
Dr Greg Borne	Senate Elected Academic Staff Governor	Estates Project Group	4/4 (4/4)	16/12/2020	15/12/2023
Stephen Criddle OBE	Directly Appointed Independent Governor	Audit Committee; Remuneration Committee	3/4 (5/6)	13/05/2020	12/05/2023
Kate Doodson	Directly Appointed Independent Governor	Finance & Resources Committee; Estates Project Group	2/4 (5/8)	01/01/2020	01/01/2026*
Matt Evans	Directly Appointed Independent Governor	Governance & Nominations Committee	3/4 (3/3)	01/12/2018	01/12/2024*
Victoria Hatton	The National Society Nominated Independent Governor	Audit Committee	N/A	01/09/2022	31/08/2025
Alex Hawtin	The National Society Nominated Independent Governor	Finance & Resources Committee; Remuneration Committee; Committee Chairs' Discussion Group	4/4 (6/7)	10/12/2018	09/12/2024*
Prof Patricia Hind	Directly Appointed Independent Governor	Finance & Resources Committee; Remuneration Committee; People & Organisational Development Sub-Committee; Committee Chairs' Discussion Group	3/4 (7/9)	01/11/2017	01/11/2023*
Will Mintram	Elected Student Governor; Marjon Student Union President	Estates Project Group; Finance & Resources Committee (attendee); People & Organisational Development Sub-Committee (attendee)	1/1	01/07/2022	30/06/2023
Ruth Mounstephen	Church Nominated Independent Governor	People & Organisational Development Sub-	2/4 (4/6)	06/03/2020 ***	06/03/2023

		Committee; Estates Project Group			
John Searson	Church Nominated Independent Governor	Governance & Nominations Committee; Estates Project Group; Committee Chairs' Discussion Group	4/4 (6/7)	01/04/2017	01/04/2026**
Fiona Nicholls	Elected Academic Staff Governor	Committee membership to be confirmed	N/A	01/11/2022	31/10/2025
Esther Tonna-Morgan	Elected Professional Services Staff Governor	People & Organisational Development Sub-Committee (attendee)	2/3	18/11/2021	17/11/2024
Emma van der Lugt	Directly Appointed Independent Governor	Audit Committee; Governance & Nominations Committee; Remuneration Committee; People & Organisational Development Sub-Committee; Committee Chairs' Discussion Group; Health Education Advisory Group	2/4 (13/15)	01/07/2016	01/07/2025**
Prof Rob Warner	Ex-Officio Governor, Vice-Chancellor	Finance & Resources Committee; Estates Project Group; Governance & Nominations Committee; People & Organisational Development Sub-Committee; Health Education Advisory Group	3/4 (16/17)	01/03/2017	N/A
Jackie Westerman	Directly Appointed Independent Governor	Remuneration Committee; People & Organisational Development Sub-Committee	4/4 (4/4)	29/01/2021	28/01/2024

Governors whose tenure ended during this period

Governors	Category of Membership	Membership of Board Committees	Attendance~ Board (Committees)	Date Appointed	Date Term Ended
Rev'd Preb Prof Gina Radford	Church Nominated Independent Governor	Audit Committee; Health Education Advisory Group	4/4 (3/7)	01/11/2019	01/11/2022
Prof Gary Shum	Elected Academic Staff Governor	Finance & Resources Committee (attendee); People & Organisational Development Sub-Committee (attendee)	4/4	01/11/2019	01/11/2022
Victoria Holbrook	Directly Appointed Independent Governor	Audit Committee	4/4 (3/4)	01/09/2019	01/09/2022
Lauren Edwards	Elected Student Governor; Marjon Student Union President	Estates Project Group; Finance & Resources Committee (attendee); People & Organisational Development Sub-Committee (attendee)	2/3 (2/4)	01/07/2020	30/06/2022*
Jacynth Ivey MBE	The National Society Nominated Independent	Health Education Advisory Group	0/1 (0/1)	10/01/2020	21/01/2022

	Governor				
Lynn Tamsett-White	Elected Professional Services Staff Governor	Estates Project Group; People & Organisational Development Sub-Committee (attendee)	N/A	01/09/2018	24/09/2021
Rt Rev'd Nick McKinnel	Church Nominated Independent Governor	N/A	N/A	18/09/2015	24/09/2021*
<p>* indicates second term; ** indicates third term; Attendance is from 1 August 2021 to 31 July 2022. Figures represent: actual attendance/total possible. ***Appointed 06/03/2020, registered Companies House 20/03/2020.</p>					

Co-optees

The following people served on the Board of Governors as a co-opted member during this period:

Name	Role	Date Appointed	End of Current Term
Rt Rev'd Dr Timothy Dakin	Co-optee	18/11/2021	17/11/2024
Katherine George	Co-optee	18/11/2021	17/11/2024
Co-optee whose tenure ended during this period			
Victoria Hatton	Co-optee	03/02/2021	31/08/2022

Members of the Board

Appointments to the Board (process)

The Governance & Nominations Committee is responsible for identifying vacancies, interviewing potential governors and recommending appointments to the Board of Governors for approval. The process for appointing new governors is outlined in the process document available on the governance pages of the Plymouth Marjon University website. The CUC Higher Education Code of Governance, Charity Commission guidance, eligibility with regard to 'Fit and Proper Persons' and 'the Nolan Principles' established by the Committee on Standards in Public Life are all considered as part of any appointments to the Board. Skills gaps, equality and diversity are also considerations, with a view to promoting the effectiveness of the governance of the University.

Members of the Senior Management Team

Members of the Senior Management in the year ending 31 July 2022 are outlined below.



Professor Rob Warner
Vice-Chancellor
& Chief Executive



Stephen Plant
University Secretary
& Registrar



Professor Michelle Jones
Deputy Vice-Chancellor (RKE)



Lucy Pengelly
Director of People &
Organisational Development



Professor Ian Luke
Deputy Vice-Chancellor
Academic



Simon Arthurs
Chief Operating Officer
& Finance Director



Katy Willis
Pro Vice-Chancellor
Student Success

Welcome by the Chair

The year has seen the start of the end of the Coronavirus pandemic during which we have learnt many new skills and techniques. Whilst many front-line staff have returned to campus, many more have adapted to hybrid working. Collectively we have managed to maintain a sense of community with our students at the centre and our values and purpose at the forefront of all that we do. It is no surprise, therefore, that coinciding with our first ever Research Excellence Framework (REF) submission that Marjon has risen 39 places over five years to 80th in The Times and Sunday Times Good University Guide. The effect of the REF is profound in terms of confidence, recognition, reputation and funding and not to be underestimated.

In December 2022 Professor Rob Warner will retire from his position as Vice-Chancellor after nearly six years in post with our thanks and best wishes for the future from students, staff and Governors; past and present. His contribution has been immense and I need to recognise, and pay tribute to, his transformational and inspirational leadership. It is no mean feat to have risen in The Complete University Guide to 4th in the UK and 1st in England in 2022 for Student Satisfaction from 123rd in 2016.

2021/22 has seen us invest in new programmes particularly in Nursing and Allied Health as a response to supporting the NHS aligned to our near neighbour – University Hospitals Plymouth Trust as well as in marketing and digital. Furthermore, we continue with our ambitions to achieve carbon neutrality by 2030 with the completion of the Ground Source Heat Pump Project; a first at this scale in Higher Education and a reduction with this and our solar panels and LED replacements by some 80% in our carbon footprint since 2005.

The challenges for a small University will continue and some key strategic decisions lie ahead. We have achieved stability with a good foundation and can only consolidate and take those opportunities that arise with confidence and purpose.

The Vice-Chancellor leaves a great legacy and will be a hard act to follow but more than anything we are – Proud to be Marjon.



Graham Raikes MBE
Chair of the Board of Governors



Welcome by Vice-Chancellor

This annual report demonstrates that Plymouth Marjon University is determinedly centred on student success, dedicated to the public good, and delivers our priorities on a foundation of robust and effective financial management. My thanks and congratulations are duly expressed with appreciation to all our staff, to the Senior Management Team, and to the Governors, all of whom contribute diligently to the rounded and impressive achievements of Marjon, building upon our distinguished heritage.

In 1838 a group of students were gathered in a school in Battersea as our founder, **James Kay-Shuttleworth** began to think through how to establish the first residential teacher training college in England. He was convinced that universal education was the single most important means of alleviating poverty in the country. In February 1840, the first cohort commenced at the new college in Battersea. Some were from the local workhouse which caused outrage among those who thought education was an exclusive right for the privileged. This college later became known as St John's.

The following year, as teacher training colleges began to spring up across the country, St Mark's Chelsea was established. Derwent Coleridge, St Mark's first principal, displayed plaster replicas of the Parthenon sculptures as part of his vision for an all-round university education for those training to be teachers. He insisted that St Mark's was not merely about equipping with skills, but more than that he wanted to instil a broad education and a lifelong love of learning. When he was criticised for being too ambitious for his students, he wrote a public mock apology, for 'our inconvenient excellence'.

The first Jamaican student joined the college in 1846. St Mark's and St John's were soon providing head teachers across the country and throughout the empire. Our students were early internationalists, taking a gap year after completing their studies and visiting schools worldwide where alumni were soon providing leadership. After the First World War, students with severe war wounds were turned away by their universities as no longer suitable, and so some transferred to Marjon where they were welcomed and trained to be teachers. So here is a deep-rooted radicalism: long before government initiatives or legislation, Marjon was always committed to equality of opportunity.

Sporting prowess came early, with football played at Stamford Bridge before Chelsea FC was formed, and our student team beat comfortably the newly founded Tottenham Hotspurs. Later one alumnus wrote football's offside rule, while another founded Equity, the Actors' Union. More recently alumni have included a senior bishop, international rugby referees, an Oxford professor, countless head teachers, and an actor with regular appearances on *Doc Martin*.

100 years ago, in 1923, the two colleges were amalgamated on the Chelsea site. Finding 'St Mark's and St John's' a bit of a mouthful, it was the students who came up with the name Marjon. 50 years ago, in 1973, the college was moved from Chelsea to Plymouth. The vision of the College and Government was to establish a new university to serve Plymouth, Devon and Cornwall and to open new opportunities to students in the South West to benefit from all the advantages of higher education and graduate careers. 2023 is therefore a very important double anniversary for Marjon: 100 years since the founding colleges merged in London and 50 years in Plymouth.

Throughout this proud history, there is a steady drumbeat of radicalism. Like the Robbins report of 1963 which revolutionized Higher Education removing barriers for the vast majority not from privileged backgrounds, Marjon is profoundly committed to providing educational opportunities for all who have the ability to succeed. What matters most to us, our lifeblood, our pride and our privilege is the success of our students. I was first in my family to go to university, and for many of our staff and students it's just the same; for each of us university study has unlocked countless doors of expected and unexpected opportunity.

The privileged who were threatened by the founding of St John's and St Mark's and objected to universal education were quite right; education is intrinsically revolutionary, empowering those with ability to rise above their station. Let me be perfectly clear: to level up Plymouth, to level up the South West, the prerequisite for any government is to invest in education and skills, so that no-one with academic ability is prevented from succeeding due to postcode or poverty.

And so the transformative journey of Marjon continues, building on this outstanding tradition of radical opportunity for all. Increasing numbers of our students are studying internationally, with lifelong benefits. Our rising international research excellence has been recognised and rewarded. In recent years when some universities have declined, our student numbers have steadily grown. Our new degrees and apprenticeships in Nursing and Allied Health will address the acute staff shortages in the NHS in our region. The increasing success of our Arts Centre means that we are now the major sporting AND cultural hub in the North of the City. With an 80% reduction in our carbon footprint since 2005, we are making every effort to address the climate emergency. And we have worked to make our green campus a sustainable environment for our resident deer and badgers, foxes and bats, newts and bugs, wildflowers and native orchids - and our colony of bees who have just produced the first ever Marjon honey – we're giving a jar to each household in the student village.

In the *Complete University Guide*, in 2016 Marjon was 123rd in the UK for student satisfaction, but we have transformed and in 2022 we are ranked 4th in the UK (1st in England) in 2022. We received congratulations from Plymouth City Council, describing this as 'an incredibly impressive elevation'. *Marjon is currently ranked No. 1 in England for Student Satisfaction, Social Inclusion, and Postgraduate contact with students; No. 3 in England for Learning Community, Student Voice, and Student Support, and No. 4 in England for Student Life, Postgraduate Support and Teaching on my Course.*

Marjon is a place where potential is discovered and dreams can be fulfilled. And that is true not only for students but for staff too. We still seek to function as a radical community, here for the public good, in which every single person is worthy of respect and consideration. Some universities can be notoriously hierarchical, bureaucratic and exclusive, unwelcoming to those who don't fit in. But if you have the potential to succeed, and particularly if you are willing to combine your potential with a willingness to respect and build up others, there's no place like Marjon.

When I first arrived at Marjon I had lanyards made for staff on which is written the phrase 'Proud to be Marjon'. As my retirement draws near I can honestly say I am extraordinarily proud of all the achievements of our staff, students and governors. Students, graduates, staff, governors and residents of Plymouth, Devon and Cornwall, you can all be very proud of Marjon.



Prof Rob Warner, Vice-Chancellor



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 2022 following a further year of challenges and opportunity.

Operating Review

The year of 2021-22 has been reassuringly calm for Marjon, compared to the previous 12 months which had been so disrupted by Covid. In September 2021, we welcomed our students back to campus, ready to rebuild relationships and get back into their learning and hoping for a smooth year. Our staff team and Marjon Student Union went out of their way to recover our students' confidence, to help to shape their sense of self and to catch up on lost experiences. And the Marjon campus this year has been full of life, with students able to take an active role in the community they love.

We have enjoyed several significant milestones in the last year. In May, the Research Excellence Framework REF2021 results were published. This was a significant moment for Marjon, opening up access to government funding for research in the near future. We were delighted with our results: 89% of Plymouth Marjon University's research was internationally recognised in terms of originality, significance, and rigour. 55% of research was rated in the highest scoring 3* or 4* categories, as internationally excellent. 100% of Marjon's research was rated as nationally recognised.

In August, the national Postgraduate Research Experience Survey 2022 results were released, with Marjon scoring 100% on satisfaction, 100% for supervision, and significantly above benchmarks in six categories.

We have achieved many incredible results in the league tables. As we go to print, across multiple league tables, Marjon is ranked No. 1 in England for Student Satisfaction, Social Inclusion, and Postgraduate contact with students; No. 3 in England for Learning Community, Student Voice, and Student Support, and No. 4 in England for Student Life, Postgraduate Support and Teaching on my Course.

Across the last five years, Marjon has moved up 39 places in the Times and Sunday Times Good University Guide, now reaching position 80, ahead of much larger universities such as Sheffield Hallam University, Bournemouth University and the University of Derby.

Last summer, Marjon won £3.5m of funding from the Public Sector Decarbonisation Scheme to install the biggest non-residential ground source heat pump installation in the country. Throughout Autumn and Winter, the sound of drilling and trenching was never far away, but our students remained positive throughout: recognising the urgent wider goal of ensuring we do everything possible to save our planet for the future.

Last spring, we worked with The Woodland Trust to plant 210 trees across campus. The goal is to provide future homes for wildlife, make the campus greener and more relaxing for our community, and to support The Woodland Trust towards their goal of planting millions more trees across the UK.

We also asked Pollenize Plymouth to install a colony of European Dark Honey Bees on the Marjon campus. The apiary is monitored weekly and we look forward to producing more Marjon Honey in the coming year.

Many of our Marjon students enjoy sport and physical activity whilst with us, and we are a champion of sport for the whole South West. In the last year, we have signed new partnerships with many local clubs to continue to support and sponsor our students. We now work with Plymouth Albion RFC, Plymouth Leander Swimming Club, Plymouth City Patriots, Plymouth Marjon Football Club and Plymouth Argyle Community Trust. Over 500 students have an active gym membership, over 400 are members of our Marjon Sports Federation, playing for specific sports teams, and we sponsored almost 50 Sports Scholars to pursue their sport at an elite level.

Last year we were the first university in the South West to enter a Wheelchair Basketball team into BUCS (British Universities and Colleges Sport) and our Men's Lacrosse team were promoted to the Premier Tier of BUCS – the first team to achieve this in 12 years. Our annual Varsity sports event vs the University of Plymouth raised £11,362 to support two charities chosen by students: Plymouth Domestic Abuse Services and Devon Mind.

Our campus regularly welcomes members of the local community for both sport and culture. Each week, over 1000 children take part in sport clubs at Marjon, over 500 enjoy swimming lessons and over 100 people take part in exercise classes. In the last year, over 9000 audience members came to enjoy comedy, theatre, music or dance productions in The Quad Theatre.

In 2023, we look forward to celebrating the 50th anniversary of Marjon arriving in Plymouth, and the 100th anniversary of the merger of the two colleges of St Mark's, Chelsea, and St John's, Battersea. We are delighted and proud to be located in this wonderful city, and thank all those who support Marjon and our students.

Operational and Financial Sustainability

Financial forecasts were initially approved that anticipated the University achieving a planned investment budget (delivering a break-even position but permitting investment in marketing, digital and health). Non-fee income projections have once again been set prudently at levels to continue steady sustained improvements post Covid. So income remains lower than 2018/19 and is gradually returning. Whilst non-cash entries, in particular LGPS pension service charges create a paper deficit position the focus remains on managing cash for financial resilience and sustainability. The University needs to continue to control cost whilst growing and diversifying its revenue in the face of uncertainty in the economy and in order to begin the process of addressing the condition of the campus and ensuring resources support our academic priorities. The Office for Students (OfS) also monitors universities' financial health through the Annual Financial Return which contains increased year on year scrutiny. Despite the challenges the University continues to buck the trends to compete and win external funding which is reflective of the growing reputation the Vice-Chancellor has overseen and championed.

Future Plans and Risk Management

Risk management is an essential element of managing the delivery of the strategic plan and the supporting financial strategy. The Board is acutely aware of the residual Covid risk, risks to fees and funding with Higher Education in England and the underlying economic turmoil. While the future of tuition fees remains uncertain continued sensitivities will need to be applied as we shift to rolling 3-year Business Planning. Far more scrutiny of student numbers, assumptions and risk is taking place to shape the future revenue assumptions.

The University has now firmly embedded risk at a strategic level and work is scheduled to review operational risk management in 2022/23. Risks continue to be highlighted and discussed at Audit Committee, the Board, at each SMT and in major projects now these are starting in delivery of the campus development plan or use scarce resource.

The primary risks to the University have been identified as:

- Student recruitment and fees
- Financial sustainability and pension costs
- League table performance
- Conversion and retention
- Cyber security and business continuity
- Succession planning
- Government stability and the underlying economy, including supply chains

Senior Management Team and Governors continue to monitor progress towards delivery of the Growth Plan.

Public Benefit Statement

Plymouth Marjon University is both a company limited by guarantee and an exempt charity by Schedule 3 of the Charities Act 2011, 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.

In setting and reviewing the University's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of

education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit. The principal beneficiaries of the University's services are our students and the public at large.

Originally established as the first teacher training college in England, with the first students commencing in February 1840, teacher education remains an area of distinctiveness today and from these roots the University has developed a much wider range of provision including Sport, Health and Well-being, Arts and Humanities, Youth and Community, Early Years Education, Business and Enterprise.

The University has, from its origins, an emphatic commitment to widening participation and providing educational opportunities to all with the potential to succeed, irrespective of background.

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 and major employers, offering a range of rehabilitation programmes, including back pain, leg ulcer clinics and clinics for patients with cancer. We continue to work with our strategic partners and have invested in increasing the range of our clinics to include Osteopathy. These clinics contribute significantly to health and well-being for the University and the wider city. Further research opportunities are also explored and we continue to integrate overseas health professional for the benefit of our city and region.

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 keeping people active later in life. We continue to seek opportunities to increase accessibility with wheelchair basketball having begun this year. Through careful scrutiny the University also explores diversifying with new partnerships for the region such as padel and women's FA coaching to increase the portfolio beyond the elite athletes of Plymouth Argyle, Plymouth Albion and Plymouth City Patriots.

Our Marjon Arts Centre serves as a destination venue for the North of the city supporting comedy, public profile guest lectures, wrestling and a growing range of performances for the public to enjoy.

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 public benefits outlined above are funded largely through undergraduate tuition fees with some small community and partnership contributions. 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 £757. This represents travel and subsistence expenses incurred in attending Board, committee meetings and other events in their official capacity.

Financial Highlights

The University continues to deliver on a Financial model that is designed to forward forecast, mitigate financial risk and to ensure the continuation of financial resilience and sustainability. This is key to support the ambitions outlined in the Marjon Growth Plan and in particular the Campus Development Plan. The Senior Management Team has controlled the financial performance to mitigate the impact of Covid and delivering a small deficit despite continuing uncertainty and loss of income. Pension fluctuations continue to present significant challenged in setting and managing the financial performance.

The balance sheet remains solid, with a sound level of cash reserves to support the on-going needs of the University.

Environment and Sustainability

The University now meets the required Energy and Carbon report (2018) regulations due to increased turnover, staffing and/or balance sheet value. The University has invested heavily in renewables designed to reduce carbon and meet ambitious carbon reduction targets to be met by 2030, through the Marjon Zero initiatives.

The University's energy is consumed within the UK and the University is reporting on energy use, including gas, electric and fuel consumption for transportation and the associated carbon emissions, measured in tonnes of CO₂e per m², based on the Gross Internal Area (GIA) to enable an intensity ratio to be established. The GIA of the University in 2020-2021 is 34,988m². The GIA covers both the estate's academic and residential buildings.

The reporting periods all end on the 31 July and the table beneath covers the following years 2020-21 and 2021-22. The tables provide insight into the energy used and carbon created to heat and power the University.

Total scope 1 & 2 emissions	2021-2022			2020-2021		
	Volume	Unit	TCO ₂ e	Volume	Unit	TCO ₂ e
Total Energy & Carbon	7,105,713	KwH	925	7,791,478	KwH	977

Scope 1 emissions	Fuel Source	2021-2022			2020-2021		
		Volume	Unit	TCO ₂ e	Volume	Unit	TCO ₂ e
Heating	Natural Gas	4,433,832	KwH	815.25	5,177,815	KwH	952.04
Plant & Equipment	Diesel	41,043	KwH	9.87	22,037	KwH	5.30

Scope 2 emissions	Fuel Source	2021-2022			2020-2021		
		Volume	Unit	TCO ₂ e	Volume	Unit	TCO ₂ e
Electricity	From Grid	2,630,832	KwH	613.35	2,591,785	KwH	604.25
Electricity	On site Solar	416,500	KwH	97.10	78,386	KwH	18.27

Scope 3 emissions	2021-2022			2020-2021		
	Volume	Unit	TCO ₂ e	Volume	Unit	TCO ₂ e
Transport outside directly owned fleet	9,780	miles	2.74	8,235	miles	2.31

Energy Intensity Ratios (S1&2)	2021-2022		2020-2021	
	GIA m ²	Ratio	GIA m ²	Ratio
Intensity Ratio Gross Internal Area	34,988	0.02644	34,988	0.02795

The University has followed the March 2019 HM Government Environmental Reporting Guidelines. We have utilised the template devised by Hillside Environmental Services and Alliance in Sustainability Leadership in Education which follows the greenhouse gases protocols Corporate standards & Streamlined Energy Carbon Reporting guidelines for College Corporations.

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per m², based on the GIA, the recommended ratio for the sector.

During 2021-22 we have installed a large Ground Source Heat Pump system which provides heating for our student village (38 homes) and staff houses (6 homes) and our academic teaching areas.

This installation will reduce the University's reliance on gas to heat accommodation and academic buildings, but in reducing this, there will be an increase on the electric demand. The University currently uses 100% renewable sources for the electrical supply and also has increased the production of solar generation.

The University is also working on improving insight into both the generation and use of power. We are also investigating ways to reduce water use.

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 2022.

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 2022.

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 from page 5. 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.

Auditor

Bishop Fleming LLP were appointed as external auditor for the year 2021/22 and have again won the recent competitive tender to remain our External Auditors for a further 5-year period.

The financial statements on pages 32 to 57 were approved by the Board of Governors of the University of St Mark & St John 24 November 2022 and signed on its behalf by:



Graham Raikes MBE
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

Legal status

The legal name and address of the University is The University of St Mark & St John, Derriford Road, Plymouth, PL6 8BH. Plymouth Marjon University is a trading name of the University of St Mark & St John. The preferred name is Plymouth Marjon University, often also referred to as 'Marjon'.

The following statement is provided to enable readers of the annual report and accounts of the University to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2021 to 31 July 2022 and up to the date of approval of the annual report and financial statements.

The University conducts 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.
- in accordance with the guidance to Universities from the Committee of University Chairs (CUC) contained within:
 - The Higher Education Code of Governance 2020 ("The Code")
 - The Higher Education Audit Committees Code of Practice 2020 ("The Audit Code")
 - The Higher Education Senior Staff Remuneration Code 2021 ("The Remuneration Code")

and having due regard to

- the UK Corporate Governance Code 2018

insofar as it is applicable.

The University is committed to exhibiting best practice in all aspects of corporate governance. In the opinion of the members of the University Board of Governors, the University complies with all the provisions of the Code and it has complied throughout the year ended 31 July 2022. The CUC Codes continue to be adopted on a 'comply or explain' basis.

Marjon Student Union

Marjon Student Union is an unincorporated association. Under the Education Act 1994, the University's Board of Governors is responsible for general oversight. Marjon Student Union's President is a Board member and the Board of Governors receives regular input and an annual report from Marjon Student Union. Marjon Student Union has its own Board of Trustees.

The University Board of Governors approved the updated Marjon Student Union constitution during 2020-21.

How the University is Governed

Members of the University's Board of Governors 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 they are responsible, in accordance with the Memorandum and Articles of Association of the University of St Mark & St John and the terms and conditions of funding for Higher Education Institutions from the Office for Students (OfS).

Governors take on two roles: one as trustee of the charity and one as (non-executive) director of the company. As

a trustee, members are responsible for annually signing off the accounts for the company. This is undertaken during the Board of Governors' meeting in the autumn.

The primary responsibility of members of the Board is to monitor and maintain the solvency of the University and to determine the educational character and mission of the University.

Specifically, the primary responsibilities in accordance with the Articles of Association are as follows:

- 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 University Secretary & Registrar shall always be Holders of Senior Posts;
- the assignment of duties to the Vice-Chancellor;
- 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;
- 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.

It is the Board's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The Board is provided with regular and timely information on the overall financial performance of the University together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety issues. The Board meets, as a minimum, four times a year.

Board meetings and membership

The University Secretary & Registrar maintains a register of financial and personal interests of the governors. The register is available for inspection at the registered office. All interests are included within the Governors' Handbook which is available to view on the Plymouth Marjon University website [here](#). Furthermore, each Board member's pen portrait includes their interests, displayed on the website [here](#). There are different categories of governors, defined by their routes to appointment, however all Governors are considered independent. Governors are asked to complete a statement of affirmation to confirm suitability ("Fit and Proper Persons") and eligibility on appointment and declare any interests regularly. Any issues would be referred to the Chair, joint Deputy Chairs and University Secretary & Registrar. Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Board meetings.

Board Committees

The Board conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Board. Full minutes of all meetings, except those deemed to be confidential by the Board, are available from the University Secretary & Registrar. They are also displayed on the University's website, in an accessible format.

The committees of the Board of Governors are as follows:

Finance & Resources Committee

This is a finance and general purpose committee that considers estates and finance. The Vice-Chancellor has delegated authority from the Board of Governors for the running of the University on a day to day basis and the Finance & Resources Committee has to authorise any new, strategically significant or commercial activities and in line with the limits outlined in the Financial Regulations. The committee also approves the financial plans and accounts before they are presented to the Board of Governors. The Finance & Resources Committee also monitors

key statutory returns to OfS prior to approval by the Board of Governors.

The Finance & Resources Committee delegates authority to the **Estates Project Group** to lead the development of strategies and plans relating to existing and future campus developments.

Audit Committee

This committee provides assurance and reviews the risks management, internal controls and governance of the University by examining the University's processes and how they operate. The University's internal auditors are PricewaterhouseCoopers, the external auditors are Bishop Fleming and both report directly to the Audit Committee. The Audit Committee also produces an annual report for the Board of Governors on the effectiveness and compliance of the committee. The Audit Committee is responsible for reviewing the annual financial accounts. It operates in accordance with "the Audit Code".

Governance & Nominations Committee

This committee is responsible for the appointment of governors and co-optees to the Board, fostering diversity, ensuring quoracy and monitoring the re-appointment of members into their second term. The Governance & Nominations Committee also oversees the effectiveness of the Board, via a Review of Board Effectiveness. The process is confirmed annually and its purpose is to provide assurance to the Board that effective governance arrangements are in place, providing an overview of the effectiveness of the Board and its Chair and confirmation of the suitability of the Chair to continue in post for the coming year.

Remuneration Committee

This committee monitors and reviews the salaries and any performance related payment to the most senior staff of the University and also considers human resources related matters. It operates in accordance with "the Remuneration Code". The Chair of the Board does not chair this Committee. The Vice-Chancellor attends solely by invitation and is not present for discussions regarding his own performance or remuneration.

The Remuneration Committee also delegates authority to the **People & Organisational Development Sub-Committee** to seek to ensure that the University is managing its people issues effectively and monitoring how people strategies contribute to improved organisational performance.

Senate

The Board of Governors has delegated its responsibility for maintaining and enhancing the University's academic performance at all levels to Senate. Senate provides regular reports to the Board of Governors so that it can be assured of the continuous improvement of the student academic experience and student outcomes, along with the methodologies used to measure them. It also ensures that the standards of the University's awards are appropriately set and maintained. Governors are invited to attend meetings of Senate as observers, receiving confirmed minutes and regular reports from the committees that report to it.

Student Engagement

The Board continues to engage with the student experience and to ensure accountability with regards to student experience, welfare and engagement. Marjon Student Union's elected president, the Student Governor, attends Board of Governors' meetings, as well as meetings of the Finance & Resources Committee, Estates Project Group and People & Organisational Development Sub-Committee. The Deputy MSU President is invited to Board meetings as an attendee. The Deputy Vice-Chancellor (Academic) and Pro Vice-Chancellor (Student Success) are also regularly invited to attend Board and committee meetings. A governor-student lunch is included in the annual cycle of business. The MSU Code of Practice was discussed and confirmed in 2021-22.

The Student Engagement and Outcomes Panel (SEOP) holds monthly meetings, with a focus on enhancing student engagement, student experience, student outcomes and equality of opportunity. The Student Experience Council (SEC) aims to facilitate student participation in order to enhance the student experience, as does the University Board of Studies (UBoS) which debates, reviews and recommends approaches to improve the quality of students' learning opportunities and their academic experience within the University. Students represent the student body as members of Programme Voice Panels and University committees such as Senate and contribute as panel members at validation and other quality events.

Governance during the year

As was the case in 2020-21, the Board and its committees convened with greater frequency than in the pre-Covid era, in part in response to the pandemic and also as a reflection of its agility to work effectively and flexibly via hybrid working practices.

The University's Board of Governors met four times in 2021/22. On each occasion, the Board meeting was followed by a Strategy Session. On two occasions out of these four, these events were held in person, on the Plymouth Marjon University campus.

The University Board of Governors' four committees, one sub-committee and one task group met as follows in 2021/22:

1. Finance & Resources Committee – four meetings
2. Audit Committee – four meetings, plus Auditors' Appointment Panel
3. Governance & Nominations Committee – three meetings
4. Remuneration Committee – two meetings
5. People & Organisational Development Sub-Committee – two meetings
6. Estates Project Group – four meetings, plus a briefing by email and campus tour

Furthermore, a strategic group established in order to draw on Board members' expertise, the Healthcare Education Strategic Group, convened on three occasions.

The University's Articles of Association were reviewed during 2021-22 with changes approved by the Board of Governors and Patron and subsequently confirmed and published by Companies House in May 2022.

Upon the announcement in June 2022 of the retirement of the Vice-Chancellor, Prof Rob Warner, a Vice-Chancellor appointment process was initiated, in line with the University's Articles of Association.

The advert for the role of the Vice-Chancellor was published on the Marjon website, jobs.ac.uk and The Times Higher, with applications closing at the end of October 2022. The University worked closely with the appointed recruitment consultants who were active in contacting potential candidates. This work was informed by the governors' engagement piece on the experiences, skills and qualities required in the next Vice-Chancellor (also building on the University's current successes and direction of travel). The Selection Panel would meet once the advert had closed, to consider those candidates going forward to the short-listing process, with final interviews taking place in December. The Panel's final recommendation would be submitted to the Board of Governors in December 2022.

The Board of Governors considered and approved the revenue and capital budgets, Annual Monitoring Statement and the Financial Forecasts. The Board also approved the Annual Financial Return and reviewed the Counter-Fraud and Anti-Corruption Policy.

The Digital Strategy was approved by the Board this year. A number of policies and statements were approved, including: Whistleblowing Report and Policy; Board Effectiveness Statement; Annual Report on Research & Knowledge Exchange including Research Integrity Statement; Health & Safety Policy and Statement of Intent; Prevent Duty Policy and Monitoring; Annual Remuneration Statement; Modern Slavery and Human Trafficking Annual Statement; Equality Plan.

All Board committees' terms of reference, including Senate, are reviewed and approved annually.

With regard to its estate, the Board had agreed previously that the University adopt, as a default position, the Passivhaus approach in implementing the Campus Development Plan. Elements of the Campus Development Plan, approved in July 2020, were progressed through 2021-22.

The appointment of the inaugural Chancellor, Rt Rev'd Nick McKinnel, Bishop of Plymouth, took place in October 2021.

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

- Local, national, regional, sector and political developments
- Updates from Vice-Chancellor
- KPIs and Strategy
- Academic elements including REF Submission; report on Retention/Monitoring and Evaluating Academic Provision; course profile data; Annual Quality Assurance Report
- Student recruitment, retention, performance and student feedback
- Updates from MSU President
- Funding opportunities, including Public Sector Decarbonisation Fund (Salix)
 - Updates on changes in key staff
 - Updates on University events and activities
 - Reports to and from OfS
 - Management accounts and other financial information
 - Estates development matters, including progression of Campus Development Plan
 - Departmental updates
 - Updates from Chaplain
 - Equality and Diversity
 - Gender and pay
 - Data Protection and Freedom of Information
- Any fraudulent incidents, legal activity, health and safety incidents, whistleblowing incidents, student casework (Reserved Business report to F&R Committee, Audit Committee and Board)
 - Details of Risk Management issues and developments
 - Board Effectiveness and external review of governance
 - Board membership, skills audit, register of interests
 - Minutes of the meetings of the Finance & Resources Committee, Audit Committee, Estates Project Group, Governance & Nominations Committee, People & Organisational Development Sub-Committee and Senate. Annual review/approval of Terms of Reference. In addition to the minutes, the Chairs of the respective committees provided oral reports and received and responded to questions from Board of Governor members. Remuneration Committee provided an annual report to the Board in place of minutes.
 - Data returns and statistics inclusive of annual data assurance report
 - Access and Participation Plan

The University Board of Governors received training, development and strategic updates on the following areas during 2021-22:

- Introduction to Marjon - What Makes Marjon Special
- Introduction to Governance
- Living the Values
- Introduction to University Finance
- Student Experience
- Healthy, Happy & Hybrid Workforce
- Team Marjon Survey 2021
- Academic Development Session
- Mental Health and Wellbeing
- Marjon Sport Federation
- Vice-Chancellor Succession Planning

The Finance & Resources Committee examined financial plans and forecasts, financial regulations and procedures, the investment fund performance, fees and funding, student recruitment and retention figures and key financial risks. The Committee also considered Cyber Security and Threat Management, Digital Strategy, Health & Safety, insurance assurance, business planning, finance KPIs. Data returns and any financial implications were also considered. The University's OfS Annual Financial Return was scrutinised prior to Board approval. The approach to confirming the Transparent Approach to Costing Return was noted.

MSU Trustees' Report and Financial Statements were received and a recommendation made to the Board regarding MSU financial support. A report on the library provision was considered. Regular updates on Estates and Campus Development Plan were received and the Committee worked closely with the Estates Project Group.

The latter convened four times with a particular focus on the development of the Campus Development Plan.

The Internal Auditors worked closely with the Marjon Audit Group (MAG). The Audit Committee met with the Internal Auditors on four occasions during the year. The Committee met to consider Internal Audit Reports including a review of governance; review and plan forthcoming internal audit reviews; receive the Internal Auditors' annual report; review committee effectiveness with regard to the CUC Higher Education Audit Committees Code of Practice (May 2020). The Committee met with the External Auditors twice in 2021/22 to consider the audit plan and to 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 2021/22, Audit Committee commissioned the following reviews: Regulatory Compliance, Student Experience, Data Quality and Governance. Reviews of finance, IT/Cyber and Risk Management would be finalised in the autumn of 2022, the fieldwork having taken place in 2021/22. These were in addition to a follow-up review of any outstanding recommendations from 2020/21 audit reports.

The Board of Governors approved the appointment of both Internal and External auditors, with effect from 2022/23.

Governance & Nominations Committee considered revisions to the Articles of Association, nominations for vacancies to the University Board of Governors and its committees; committee terms of reference; Board effectiveness; skills and diversity of the Board; Board members' induction and development training; Chancellor and Vice-Chancellor Succession Planning. A review of the University's alignment with the CUC HE Code of Governance 2020 was conducted by Internal Auditors PricewaterhouseCoopers and resoundingly confirmed as effective.

Remuneration Committee met to discuss matters relating to the terms and conditions of service and the emoluments of the holders of 'Senior Posts' as defined in the Articles of Association. The Committee's effectiveness was reviewed, in the context of the CUC HE Senior Staff Remuneration Code. The Vice-Chancellor was not present for any discussion regarding his own performance or remuneration.

People & Organisational Development Sub-Committee considered in detail the University's People Strategy and other human resources matters. These included: Gender Pay Gap;

The Healthcare Strategic Advisory Group convened on three occasions, to provide strategic oversight regarding the University's development of its educational provision in this area.

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 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 & 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.

The Board of Governors is also responsible under the Terms and Conditions of Funding for Higher Education Institutions for:

- ensuring that funds from OfS and other funding bodies 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 and any other conditions which OfS may from time to time prescribe;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the University's resources and expenditure.

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

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 2022 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. Its terms of reference align with the CUC Higher Education Audit Committees Code of Practice (May 2020). A Management Audit Group (MAG) has been established comprising Internal Auditor, Chief Operating Officer & Finance Director and University Secretary & Registrar to provide oversight of the internal audit process.

Throughout the year, internal control systems have been maintained and extended in the wider Covid environment, with assurance including through the regular, scheduled work of the internal auditors. Reports have been reviewed and systematically considered by the Audit Committee, including recommendations, proposed management actions, implementation timescales and follow up reports.

The 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 2021/22 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 2021/22 and up to the date of approval of these financial statements.

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.

A handwritten signature in cursive script, appearing to read 'Graham Raikes', written in a light grey or blue ink.

Graham Raikes MBE

Chair of the Board of Governors

Independent auditors' 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 the University of St Mark & St John (the 'University') and its subsidiaries (the 'Group') for the year ended 31 July 2022 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated and Institute Statement of Changes in Reserves, the Consolidated and Institute Statement of Financial Position, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: Accounting for Further and Higher Education (the 'FE HE SORP') and the Office for Students Accounts Direction (OfS 2019.41).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2022 and of the Group's deficit of income against expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the FE HE SORP and the Office for Students' Accounts Direction (OfS 2019.41).
- 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.

Conclusion relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Members of the Board of Governors and Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. The Board of Governors are responsible for the other information. 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) (continued)

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 Report of the Members of the University Board of Governors have been prepared in accordance with applicable legal requirements.

Opinion on other matters prescribed by the Office for Students' Accounts Direction (OfS 2019.41)

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; and
- Funds provided by the Office for Students ('OfS'), UK Research and Innovation (including Research England), the Education and Skills Funding Agency and Department for Education have been applied in accordance with the relevant terms and conditions attached to them.

We have nothing to report in respect of the following matters in relation to which the Office for Students' Accounts Direction requires us to report to you if, in our opinion:

- the University's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated; or
- the University's expenditure on access and participation activities for the financial year has been materially misstated.

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.

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

Responsibilities of the Board of Governors

As explained more fully in the Statement of Responsibilities of the Board of Governors set out on page 18, 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Governors is 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 Board of Governors 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.

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:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the University's performance;
- results of our enquiries of management and the members, including the committees charged with governance over the University's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the University's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- how the University ensured it met its obligations arising from it being financed by and subject to the governance requirements of the OfS, and as such material compliance with these obligations is required to ensure the University will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure; and
- the matters discussed among the audit engagement team and involving relevant internal University specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

As a result of these procedures, we considered the opportunities and incentives that may exist within the University for fraud, which included incorrect recognition of revenue and management override of controls using manual journal entries and these were identified as having the greatest potential for fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the University operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Office for Students' Accounts Direction (OfS 2019.41), the Companies Act 2006, Financial Reporting Standard 102 and the FE HE SORP.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the University's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of the University's management and members concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of the OfS;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of the members and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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

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: 16 December 2022

Consolidated Statement of Comprehensive Income and Expenditure Year Ended 31 July 2022

	Notes	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2021 Consolidated £'000
Income			
Tuition fees and education contracts	1	21,559	22,580
Funding body grants	2	1,264	1,225
Research grants and contracts	3	104	399
Other income	4	9,095	6,324
Investment income	5	49	3
Total income		32,071	30,531
Expenditure			
Staff costs	6	16,527	14,701
Restructuring costs	6	157	276
Other operating expenses	8	13,404	12,432
Depreciation and amortisation	9	2,206	2,129
Interest and other finance costs	7	825	827
Total expenditure		33,119	30,365
Surplus/(Deficit) before other gains/(losses)		(1,047)	166
		(3%)	(0.9%)
Gain / (Loss) on investments		(198)	282
Surplus / (Deficit) before tax		(1,246)	448
		4%	2%
Surplus / (Deficit) for the year		(1,246)	448
		4%	2%
Other comprehensive income			
Actuarial profit/(loss) in respect of pension schemes	22	19,045	2,420
Total comprehensive income for the year		17,799	2,868
		55%	10%
Surplus / (Deficit) for the year attributable to:			
Institution		(1,246)	448

All items of income and expenditure relate to continuing activities.
Notes on pages 38 to 54 form part of these financial statements

**Consolidated and Institute Statement of Changes in Reserves
Year Ended 31 July 2022**

Consolidated	Income and expenditure reserve	Revaluation reserve	Total
	Unrestricted		
	£'000	£'000	£'000
Balance at 1 August 2020	13,383	3,699	17,082
Surplus/(deficit) for the year	448	-	448
Other comprehensive income	2,420	-	2,420
Total comprehensive income for the year	2,868	0	2,868
Balance at 1 August 2021	16,251	3,699	19,950
Surplus/(deficit) for the year	(1,246)	-	(1,246)
Other comprehensive income	19,045	-	19,045
Total comprehensive income for the year	17,799	0	17,799
Balance at 31 July 2022	34,050	3,699	37,749
	Income and expenditure reserve	Revaluation reserve	Total
Institution			
	Unrestricted		
	£'000	£'000	£'000
Balance at 1 August 2020	13,490	3,699	17,189
Surplus/(deficit) for the year	448	-	448
Other comprehensive income	2,420	-	2,420
Total comprehensive income for the year	2,868	0	2,868
Balance at 1 August 2021	16,358	3,699	20,057
Surplus/(deficit) for the year	(1,246)	-	(1,246)
Other comprehensive income	19,045	0	19,045
Total comprehensive income for the year	17,799	0	17,799
Balance at 31 July 2022	34,157	3,699	37,856

**Consolidated and Institute Statement of Financial Position (Balance Sheet)
Year Ended 31 July 2022**

	Notes	Year ended 31 July 2022		Year ended 31 July 2021	
		Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Non-current assets					
Tangible assets	9	36,837	36,855	34,497	34,515
Investments	10	1,522	1,522	1,727	1,727
		<u>38,359</u>	<u>38,377</u>	<u>36,224</u>	<u>36,242</u>
Current assets					
Stock	11	1	1	9	9
Trade and other receivables	12	3,998	4,087	3,378	3,467
Cash and cash equivalents		8,055	8,055	9,471	9,471
		<u>12,054</u>	<u>12,143</u>	<u>12,858</u>	<u>12,947</u>
Less: Creditors: amounts falling due within one year	13	(3,533)	(3,533)	(3,390)	(3,390)
Net current (liabilities)/assets		<u>8,521</u>	<u>8,610</u>	<u>9,468</u>	<u>9,557</u>
Total assets less current liabilities		<u>46,880</u>	<u>46,987</u>	<u>45,692</u>	<u>45,799</u>
Creditors: amounts falling due after more than one year	15	(7,751)	(7,751)	(8,293)	(8,293)
Provisions					
Pension provisions	18, 21	(1,380)	(1,380)	(17,449)	(17,449)
Total net assets		<u>37,749</u>	<u>37,856</u>	<u>19,950</u>	<u>20,057</u>
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		34,050	34,157	16,251	16,358
Revaluation reserve		3,699	3,699	3,699	3,699
Total Reserves		<u>37,749</u>	<u>37,856</u>	<u>19,950</u>	<u>20,057</u>

Notes on pages 38 to 54 form part of these financial statements



Graham Raikes MBE
Chair of the Board of Governors



Professor Rob Warner
Vice-Chancellor

Date: 24 November 2022

**Consolidated Statement of Cash Flows
Year Ended 31 July 2022**

	Notes	Year ended 31 July 2022 £'000	Year ended 31 July 2021 £'000
Cash flow from operating activities			
(Deficit)/Surplus for the year before tax		(1,246)	448
Adjustment for non-cash items			
Depreciation	9	2,206	2,129
Decrease/(increase) in stock	11	8	(4)
Decrease/(increase) in debtors	12	(620)	(1,082)
Revaluation loss/(gain) on investments		200	(291)
Actuarial movement on pension		19,045	2,420
Pension Notional Interest		271	236
Increase/(decrease) in creditors	13,15	107	138
Increase/(decrease) in pension provision	22	(16,340)	(639)
Adjustment for investing or financing activities			
Investment income	5	(49)	(3)
Interest received			0
Interest payable	7	554	586
Cash flows from operating activities		4,136	3,938
Taxation		0	0
Net cash inflow from operating activities		4,136	3,938
Cash flows from investing activities			
Purchase of investments	10	(131)	(326)
Sale of investments	10	136	251
Investment income	5	49	3
Payments made to acquire tangible assets	9	(4,547)	(2,317)
Interest received		0	0
		(4,493)	(2,389)
Cash flows from financing activities			
Interest paid	7	(554)	(586)
Repayments of amounts borrowed	16	(505)	(563)
		(1,059)	(1,149)
Increase in cash and cash equivalents in the year		(1,416)	400
Cash and cash equivalents at beginning of the year		9,471	9,071
Cash and cash equivalents at end of the year		8,055	9,471

Notes on pages 38 to 54 form part of these financial statements

Statement of Accounting Policies Year Ended 31 July 2022

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 2022. 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.

Capital Grants

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

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 whilst we recover from the impact that Covid has had on income levels and the cost base. We continue to examine the longer term horizon and run scenarios and explore fee diversification resulting from continued uncertainty surrounding University funding and student capping. The University has been growing during the demographic downturn whilst other Universities have been seeing falling student numbers. The University monitors applicant and conversion rates to proactively

plan to continue student growth, in particular on campus where there is a positive impact on wider revenue streams as a result. The University has been adapting its financial model for increase e-learning revenue, is diversifying partnerships and has only one bank loan remaining, whilst the BES scheme is also nearing repayment. 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. Local Government Pension Scheme (LGPS) - *administered by the London Pensions Fund Authority (LPFA)*
3. Teachers' Pension Scheme (TPS)
4. Church of England Funded Pension Scheme (CoEFPS)

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

Each fund is valued regularly by professionally qualified independent actuaries.

The USS, TPS and CoEFPS 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.

The institution participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set.

The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the 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) and therefore an expense is recognised.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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.

19. 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 15 and 16. 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.

20. 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 2022

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
1 Tuition fees and education contracts				
Full-time home and EU students	20,984	20,984	21,982	21,982
Full-time international students	68	68	68	68
Part-time students home and EU students	507	507	530	530
Research Training Support Grant	0	0	0	0
	21,559	21,559	22,580	22,580
2 Funding body grants				
Recurrent grant	1,058	1,058	1,225	1,225
Office for Students				
Research England	206	206	0	0
Education and Skills Funding Agency	0	0	0	0
	1,264	1,264	1,225	1,225
3 Research grants and contracts				
Research councils	0	0	50	50
Government (UK and overseas)	0	0	0	0
Industry and commerce	0	0	0	0
Other research grants and contracts	104	104	349	349
	104	104	399	399
4 Other income				
Residences, catering and conferences	2,665	2,665	2,075	2,075
Sports Centre	615	615	313	313
Other capital grants	3,526	3,526	1,806	1,806
Other income	2,289	2,289	2,130	2,130
	9,095	9,095	6,324	6,324
5 Investment income				
Other investment income	49	49	3	3
	49	49	3	3
Total income	32,071	32,071	30,531	30,531

Notes to the Accounts

Year Ended 31 July 2022

6. Staff costs

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Staff Costs				
Salaries	10,920	10,920	10,153	10,153
Social security costs	995	995	919	919
Other pension costs	4,612	4,612	3,629	3,629
Sub-total	16,527	16,527	14,701	14,701
Restructuring costs	157	157	276	276
Total	16,684	16,684	14,977	14,977

A further breakdown of pension costs has been included in pensions notes.

	30 July 2022 £'000	31 July 2021 £'000
Total remuneration of the head of the institution		
Basic salary	222	193
Performance-related pay and other bonuses	0	7
Employer's NI	31	26
Pension contributions and payments in lieu of contributions	37	46
	290	272

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 2021 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 in the £24m – £70m bracket. Mission group data from Guild HE is also used as a comparator, where available.

i. The Vice-Chancellor's basic salary is 8.4 times the median pay of staff (2021 8.5 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by a provider to its staff.

ii. The Vice-Chancellor's total remuneration is 8.7 times the median total remuneration of staff (2021 9.2 times), 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.

Notes to the Accounts

Year Ended 31 July 2022

6. Staff costs (cont)

The number of staff with a basic salary of over £100,000 per annum has been included below.

Basic salary per annum	31 July 2022		31 July 2021	
	Consolidated No.	Institution No.	Consolidated No.	Institution No.
£100,000 - £104,999	0	0	0	0
£105,000 - £109,999	0	0	1	1
£110,000 - £114,999	1	1	0	0
£115,000 - £119,999	0	0	0	0
£185,000 - £189,999	0	0	0	0
£190,000 - £194,999	1	1	1	1
£195,000 - £199,999	0	0	0	0
£200,000 - £204,999	0	0	0	0
	2	2	2	2

Staffing numbers reflect all staff within the University who are under an hourly paid contract of service, be it full time or part time. A large proportion of hourly paid staff are on either annualised hours contracts or zero-hours contracts, which span 6 months/the academic year. However, the hours actually worked under these contracts vary on a monthly basis (and these staff do not necessarily work every month), which is reflected in the headcount being significantly higher than the FTE.

Average staff numbers by major category	Year ended 31 July 2022		Year ended 31 July 2021	
	No	FTE	No	FTE
Academic	324	119	234	104
Management & specialist	7	7	8	8
Technical	69	25	75	29
Other	388	177	351	158
Total Number of staff	788	328	668	299

Key Management Personnel

The key management personnel of the University comprise the senior management team as listed on page 7. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for services to the University was as follows:

	Year ended 31 July 2022 £'000	Year ended 31 July 2021 £'000
Key management personnel compensation (this represents pay including employer pension contributions and employer national insurance contributions)	1,030	1,046

Notes to the Accounts

Year Ended 31 July 2022

	Notes	Year Ended 31 July 2022		Year Ended 31 July 2021	
		Consolidated	Institution	Consolidated	Institution
		£'000	£'000	£'000	£'000
7 Interest and other finance costs					
Loan interest		554	554	591	591
Unwind of discount on USS pension provision		0	0	0	0
Net cost on pension scheme	33	271	271	236	236
		825	825	827	827

8 Analysis of other operating expenditure by activity

Academic Departments	6,799	6,799	6,986	6,986
Administration and central services	1,386	1,386	1,165	1,165
Premises (including service concession cost)	2,605	2,605	2,758	2,758
Residences, catering and conferences (costs)	1,108	1,108	634	634
Other expenses	1,506	1,506	889	889
	13,404	13,404	12,432	12,432

Other operating expenses include:

Operating lease rentals

Land and buildings	54	54	50	50
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Other	33	33	36	36
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External auditors remuneration in respect of audit services	39	39	27	27
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Access and Participation

Access Investment	849	849	688	688
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Financial Support	209	209	278	278
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Disability Support	0	0	0	0
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Research and Evaluation	78	78	77	77
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Total Access and Participation costs	1,136	1,136	1,043	1,043
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£713k of these costs are already included in the overall staff costs figures included in the financial statements, see note 6. This is allocated:

	Year Ended 31 July 2022	Year Ended 31 July 2021
Access Investment	650	541
Disability Support	0	0
Research and Evaluation	63	68
	713	609

The University Access and Participation Plan can be viewed at <https://www.marjon.ac.uk/about-marjon/governance--management/university-strategies--policies/>

Notes to the Accounts

Year Ended 31 July 2022

9 Tangible Assets

Consolidated	Freehold Land and Buildings	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2021	32,774	24,959	101	57,834
Additions	0	0	4,547	4,547
Transfers	3	545	(548)	0
Disposals	0	(59)	0	(59)
At 31 July 2022	32,777	25,545	4,100	62,322
Depreciation				
At 1 August 2021	10,108	13,229	0	23,337
Charge for the year	592	1,614	0	2,206
Disposals	0	(58)	0	(58)
At 31 July 2022	10,700	14,785	0	25,485
Carrying amount				
At 31 July 2022	22,077	10,719	4,100	36,837
At 31 July 2021	22,666	11,730	101	34,497
Institution				
Cost and valuation				
At 1 August 2021	32,791	24,869	101	57,761
Additions	0	0	4,547	4,547
Transfers	3	545	(548)	0
Disposals	0	(59)	0	(59)
At 31 July 2022	32,794	25,355	4,100	62,249
Depreciation				
At 1 August 2021	10,108	13,138	0	23,246
Charge for the year	592	1,614	0	2,206
Disposals	0	(58)	0	(58)
At 31 July 2022	10,700	14,694	0	25,394
Carrying amount				
At 31 July 2022	22,094	10,661	4,100	36,855
At 31 July 2021	22,683	11,731	101	34,515

Notes to the Accounts

Year Ended 31 July 2022

9 Tangible Assets (cont)

At 31 July 2022 freehold land and buildings included £3,884k (2021 £3,884k) in respect of freehold land and is not depreciated. A full valuation of the University's land and buildings 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

10 Non-Current Investments

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Investment in subsidiaries	0	0	0	0
Other investments (a)	1,522	1,522	1,727	1,727
	1,522	1,522	1,727	1,727

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 £88k (2021 £88k) and the results have been consolidated into these financial statements.

(a) Other investments

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
At 1 August 2021	1,727	1,727	1,363	1,363
Additions	131	131	324	324
Disposals	(136)	(136)	(251)	(251)
Fair Value adjustments	(200)	(200)	291	291
At 31 July 2022	1,522	1,522	1,727	1,727

The historic cost of the quoted investments was £1,184k (2021 £1,185k).

11 Stock

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
General consumables	1	1	9	9
	1	1	9	9

Notes to the Accounts

Year Ended 31 July 2022

12 Trade and other receivables

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Amounts falling due within one year:				
Other trade receivables	2,217	2,217	1,967	1,967
Amounts due from subsidiary companies	0	88	0	88
Other receivables	359	359	143	143
Prepayments and accrued income	1,422	1,422	1,269	1,269
	3,998	4,087	3,378	3,467

13 Creditors : amounts falling due within one year

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Secured loans	540	540	514	514
Trade payables	816	816	393	393
Social security and other taxation payable	533	533	468	468
Other creditors	425	425	345	345
Accruals and deferred income	1,219	1,219	1,670	1,670
	3,533	3,533	3,390	3,390

14 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 2022		Year ended 31 July 2021	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Research grants received on account	107	107	39	39
Other income	170	170	198	198
	277	277	237	237

Notes to the Accounts

Year Ended 31 July 2022

15 Creditors : amounts falling due after more than one year

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Deferred income	135	135	150	150
Secured loans	7,616	7,616	8,143	8,143
	7,751	7,751	8,293	8,293

16 Loans

Analysis of secured and unsecured loans:

Due within one year or on demand	537	537	514	514
Due between one and two years	562	562	520	520
Due between two and five years	1,467	1,467	1,521	1,521
Due in five years or more	5,587	5,587	6,102	6,102
Due after more than one year	7,616	7,616	8,143	8,143
Total secured and unsecured loans	8,153	8,153	8,657	8,657
Investors loan repayable by 2023	237	237	339	339
Secured loan repayable by 2022	0	0	0	0
Secured loans repayable by 2036	7,916	7,916	8,318	8,318
	8,153	8,153	8,657	8,657

Loan / Lender	Amount £'000	Term	Interest rate %	Borrower
Investors loan / Marjon Tenancies 1 Ltd	7,520	2023	*10.3	Institution
Capital development loan / Barclays	3,950	2022	5.50	Institution
Estates development loan / Barclays	11,500	2036	6.65	Institution
Total	22,970		<i>*effective rate</i>	

The estate development and capital development bank loan is secured on the Peninsula Allied Health Centre (PAHC). 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. This loan was cleared during the year ended 31 July 2022.

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 £235k (2021 £264k) included in cash at bank and in hand. The bank deposit account is a fund for the repayment of the BES loan (see note 17) which is the nature of the security. The University cannot access these funds without the consent of Magarch Ltd.

The Barclays estate development loan carries interest at a rate of 6.65% and is repayable over 25 years commencing in 2011. The Barclays loan finance is secured on the legal mortgage over the freehold property known as the Peninsula Allied Health Centre.

Notes to the Accounts

Year Ended 31 July 2022

17 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 (in houses in the campus area known as "the village"). 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.

18 Provision for Liabilities

Consolidated	Obligation to fund deficit on USS Pension	Defined Benefit Obligations (Note 21)	Total Pensions Provisions
	£'000	£'000	£'000
At 1 August 2021	(53)	(17,396)	(17,449)
Additions in 2021/22	28	16,041	16,069
At 31 July 2022	(25)	(1,355)	(1,380)

Institution	Obligation to fund deficit on USS Pension	Pension scheme provision under FRS102	Total Pensions Provisions
	£'000	£'000	£'000
At 1 August 2021	(53)	(17,396)	(17,449)
Additions in 2021/22	28	16,041	16,069
At 31 July 2022	(25)	(1,355)	(1,380)

Notes to the Accounts

19 Consolidated reconciliation of net debt

	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
Net debt 1 August 2021	(827)	150
Movement in cash and cash equivalents	(1,416)	400
Other non cash changes	2,340	(1,377)
Net debt 31 July 2022	98	(827)
Change in net debt	925	(977)

	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
Analysis of debt		
Cash and cash equivalents	8,055	9,471
Borrowings: amounts falling due in one year		
Secured loans	537	501
Borrowings: amounts falling due after one year	7,616	8,143
Net debt	98	(827)

20 Lease obligations

Total rentals payable under operating leases:

Consolidated and Institution	Year ended 31 July 2022			Total	31 July 2021
	Land and Buildings	Plant and Machinery	Other leases		
	£'000	£'000	£'000	£'000	£'000
Payable during the year	54	0	33	87	81
Future minimum lease payments due:					
Not later than 1 year	54	0	5	59	52
Later than 1 year and not later than 5 years	38	0	17	55	99
Later than 5 years	0	0	0	0	0
Total lease payments due	92	0	22	114	151

21 Capital Commitments

The University has entered into a legally binding contract to purchase the building on its own land that is owned by the Department for Education known as the Plymouth Studio School for a purchase price of £1.350m plus fees. A 5% deposit has been paid under exchange of contracts with the completion being required by 31 December 2022. The University is in the later stages of securing a bank loan from Barclays bank of up to £2m.

Notes to the Accounts

Year Ended 31 July 2022

22 Pensions

Different categories of staff were eligible to join one of four different schemes:

- Universities Superannuation Scheme (USS)
- Local Government Pension Scheme (LGPS) - administered by London Pensions Fund
- Teachers Pension Scheme (TPS)
- Church of England Funded Pension Scheme (CoEFPS)

The total charge to the consolidated income and expenditure account (excluding finance expense) is noted below:

	2021-22 £'000	2020-21 £'000
Contributions paid to:		
USS	23	28
LGPS	802	878
TPS	1,087	969
CoE	<u>7</u>	<u>7</u>
Total contributions	<u>1,919</u>	1,882
Pension FRS102 Charge	<u>2,693</u>	<u>1,747</u>
Total Pension Costs for the year within staff costs	<u>4,612</u>	<u>3,629</u>

(i) The Universities Superannuation Scheme

The total cost charged to the profit and loss account is £23k

The latest available complete Actuarial Valuation of the Retirement Income Builder is at 31 March 2021 (the valuation date). The main purpose of this report, required by the Pensions Act 2004, is to set out the results of and outcomes from the valuation. Scheme members will receive a Summary Funding Statement relating to the valuation in due course.

The Trustee is responsible for the choice of assumptions for the valuation and for then setting an appropriate level of future contributions (having taken actuarial advice from me), in consultation with Universities UK ("UUK"), the body nominated for these purposes under the Scheme rules to act as the representative of the employers who sponsor the Scheme. The Joint Negotiating Committee ("JNC") is responsible for deciding how any change to the required overall contribution rate will be addressed, whether by way of change to member and employer contributions, changes to the benefit structure, or both.

The JNC has recommended changes to future service benefits to apply from April 2022, which in due course will be the subject of consultation with members. In parallel, UUK has confirmed that the employers will provide an enhanced level of covenant support to the Scheme (including a 20-year moratorium on employer exits, which would be replaced by an interim moratorium lasting a single valuation cycle in the event that the JNC recommendation is revoked by resolution of the JNC and not replaced by a further JNC recommendation by 28 February 2022). The Trustee has determined that different assumptions should apply dependent on whether or not a deed has been entered into effecting the recommendation of the JNC on or before 28 February 2022

Notes to the Accounts

Year Ended 31 July 2022

22Pensions (cont)

Summary of agreed contributions

From 1 October 2022

From 1 April 2022 in the event that the JNC recommendation is not implemented

Employer contributions

21.4% of Salary

23.7% of Salary increasing thereafter every 6 months up to 38.2% of Salary from 1 October 2025

Member contributions

9.8% of Salary

11.0% of Salary increasing thereafter every 6 months up to 18.8% of Salary from 1 October 2025

Further details about the current position in relation to the USS pension scheme can be found in the *Actuarial Valuation Report at 31 March 2021 Universities Superannuation Scheme 30 September 2022*

(ii)The Local Government Pension Scheme (administered by the London Pensions Fund)

LGPS is valued every three years by professionally qualified independent actuaries using the projected unit method, the rates of contribution payable being determined by the trustee on the advice of the actuaries. In the intervening years, the LGPS actuary reviews the progress of the LGPS scheme.

For LGPS, the actuary has indicated in the 2019 valuation that the resources of the scheme are likely, in the normal course of events, to meet the liabilities as they fall due at the level specified by the LGPS Regulations. The employer's contribution rate was set, following the 2019 actuarial variation at 16.5% from April 2021 and remains in place until April 2022. The next actuarial valuation is due in 2023 and will set the contributions from April 2023 to March 2026. Contributions are generally set to a target of achieve a 100% funding level.

Under the definitions set out in FRS102, the LGPS is a multi-employer defined benefit pension scheme. In the case of the LGPS, the actuary of the scheme has identified the University's share of its assets and liabilities as at 31 July 2022.

The pension scheme assets are held in a separate Trustee-administered fund to meet long-term pension liabilities to past and present employees. The trustees of the fund are required to act in the best interests of the fund's beneficiaries. The appointment of trustees to the fund is determined by the scheme's trust documentation. The trustees are responsible for setting the investment strategy for the scheme after consultation with professional advisers.

Assumptions

The financial assumptions used to calculate scheme liabilities under FRS102 are

	2022	2021
	%pa	%pa
Discount Rate	3.40%	1.60%
Pension increases	2.75%	2.80%
Salary increases	3.75%	3.80%
Inflation assumptions	2.40%	2.40%

Notes to the Accounts
Year Ended 31 July 2022
22 Pensions (cont)

The most significant non-financial assumption is the assumed level of longevity. The table below shows the life expectancy assumptions used in the accounting assessments based on the life expectancy of male and female members at age 65.

	2022	2021
	Years	Years
Current Pensioners		
Males	21.3	21.3
Females	24.2	24.2
Future Pensioners		
Males	21.7	21.6
Females	25.6	25.6

Scheme assets and expected rate of return for LGPS

The assets in the scheme, measured at fair value, were:

	2022	2021
	£000	£000
Equities	18,727	17,304
Target Return Portfolio	7,165	6,660
Infrastructure	3,472	2,703
Property	3,240	2,572
Cash	397	1,596
Total	33,001	30,835

	2022	2021
	£000	£000
Estimated assets share for the University	33,001	30,835
Present value of scheme liabilities	(34,351)	(48,224)
Present value of unfunded liabilities	(5)	(7)
Net pension liability	(1,355)	(17,396)

Notes to the Accounts

Year Ended 31 July 2022

22 Pensions (cont)

An analysis of the defined profit and loss cost attributes to the University for the year 31 July 2022 is as follows :

	2022	2021
	£'000	£'000
Current Service cost	3,602	2,625
Administrative expenses	40	34
Net interest on the defined liability	<u>271</u>	<u>236</u>
Total	3,913	2,895

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

	2022	2021
	£'000	£'000
Changes in assumptions underlying the present value of scheme liabilities	17,666	(2,737)
Return on assets less interest	1,504	3,737
Experience gain/(loss) on defined benefit obligation	(125)	874
Other actuarial gain/(loss)	0	0
Change in demographic assumption	<u>0</u>	<u>546</u>
Actuarial gain / (loss)	19,045	2,420

Movement in the deficit attributable to the University during the year

	2022	2021
	£'000	£'000
Reconciliation of the defined benefit obligation		
Opening defined benefit obligation	48,231	44,033
Service cost	3,116	2,452
Interest cost	766	594
Actuarial losses	(17,666)	2,737
Estimated benefits paid net of transfers in	(1,029)	(641)
Contributions to the scheme participants and other employees	328	304
Unfunded pension payments	(1)	(1)
Change in demographic assumption	0	(546)
Past service costs, including curtailment	486	173
Experience (gain)/loss on defined benefit obligation	<u>125</u>	<u>(874)</u>
Closing defined benefit obligation	34,356	48,231

Notes to the Accounts
Year Ended 31 July 2022

22 Pensions (cont)

Reconciliation of the fair values of the scheme assets	2022	2021
	£'000	£'000
Opening fair value of scheme assets	30,835	26,234
Interest on assets	495	358
Return on assets less interest	1,504	3,737
Administrative expenses	(40)	(34)
Contributions by the employer including unfunded	909	878
Contributions to the scheme participants and other employees	328	304
Estimated benefits paid plus unfunded net to transfer in	(1,030)	(642)
Other actuarial gain/(loss)	0	0
Closing fair values of fund assets	33,001	30,835
Reconciliation of opening and closing surplus	2022	2021
	£'000	£'000
Deficit in the scheme at the beginning of the year	(17,396)	(17,799)
Movement in the year:		
Current service cost	(3,602)	(2,625)
Employers contributions	909	878
Other financial losses	(271)	(236)
Administrative expenses	(40)	(34)
Actuarial gains / (loss)	19,045	2,420
Deficit in the scheme at the end of the year	(1,355)	(17,396)

(iii) Teachers Pension Scheme

Teachers Pension contributions to the Scheme are set at rates determined by the Secretary of State for Education, taking advice from the Scheme's actuary. Employers and members contribute on a "pay as you go" basis with contributions received used to offset payments to current pensioners with the balance of funding provided by Parliament. The Scheme's administrative expenses are borne by Scheme employers, payable as a percentage of pensionable earnings. It is envisaged that this charge will be reviewed alongside scheme valuations, to ensure that the income raised is equal to the cost.

The Scheme is governed by statutory regulations (currently statutory instruments), these being: *The Teachers' Pensions Regulations 2010* (as amended) and *The Teachers' Pension Scheme Regulations 2014* (as amended).

The Scheme is managed by the Department for Education (Department) and administered under contract by Capita Business Services Ltd (Capita).

As a result of the latest scheme valuation as at 31 March 2016 employer contributions were increased in September 2019 from a rate of 16.4% to 23.6%. The next valuation, based on data as at 31 March 2021, is underway and any changes to contributions will take effect in April 2024. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses.

Notes to the Accounts

Year Ended 31 July 2022

22 Pensions (cont)

The actuarial valuation of the TPS pertaining to the financial periods including September 2019 to March 2023 was carried out as at 31 March 2016 and in accordance with *The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014* (the Directions). The valuation determines the rate of employer contributions payable and the initial employer cost cap (both of which are set out in the TPS regulations). The Directions also require results relating to scheme liabilities, notional assets and contribution rates to be reported.

The key results of the valuation were:

employer contribution rates were set at 23.6% of pensionable pay, in line with current regulations, plus an additional 0.08% of pensionable pay for the cost of scheme administration

at 31 March 2016, total Scheme liabilities for service of £218.1 billion, and notional assets of £196.1 billion, giving a notional past service deficit of £22.0 billion. The funding valuation (noted above) uses a different set of assumptions than those used to inform the valuation used in this ARA, which uses *International Accounting Standard IAS 19 Employee Benefits* (IAS 19) as its basis. Therefore, the Scheme financial position is reported as two different values between the valuation and the ARA

for the purpose of financial reporting actuarial assessments are undertaken in the intervening years between formal valuations. The scheme will next be subject to actuarial valuation as at 31 March 2021 in accordance with the updated version of the Directions, the results of which are expected to take effect from September 2023. The valuation will determine a revised employer contribution rate payable from this date which is likely to impact on the level of receipts outlined in this forecast for financial years 2023-24 onwards.

Further information is also available in the Teachers' Pension Scheme(England and Wales), Annual Report and Accounts for the year ended 31 March 2022.

(iv) The Church of England Funded Pension Scheme (CEFPS)

The University of St Mark and St John participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumption

An average discount rate of 3.2% p.a.;
RPI inflation of 3.4% p.a. (and pension increases consistent with this);
Increase in pensionable stipends of 3.4% p.a.;

Notes to the Accounts Year Ended 31 July 2022

22 Pensions (cont)

Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameterⁿ of 7 and an initial addition to mortality improvements of 0.5% pa.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2021	January 2022 to December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025

The legal structure of the scheme is such that if another Responsible Body fails, The University of St Mark and St John could become responsible for paying a share of that Responsible Body's pension liabilities

23 Related Party Transactions

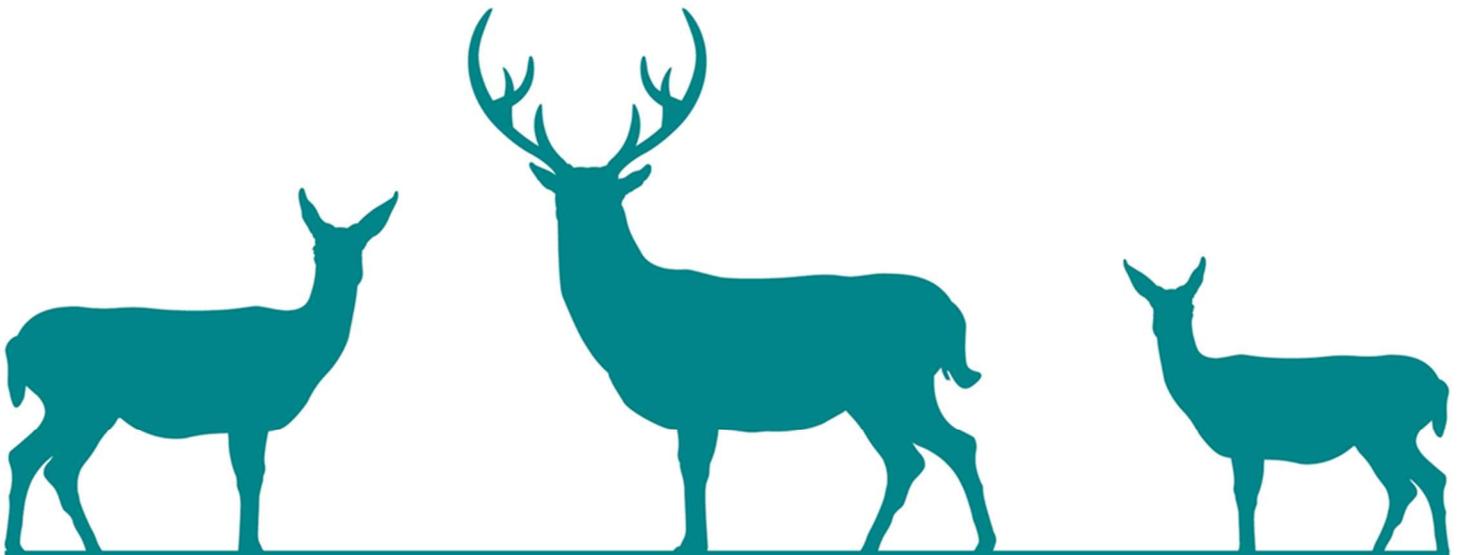
During the year the group entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into and balances outstanding at 31 July 2022, are as follows:

	Income from related party £'000	Expenditure to related party £'000	Balance due from related party £'000	Balance due to related party £'000
Marjon Student Union	0	144	0	0
	0	144	0	0
<i>2020/21</i>	<i>0</i>	<i>143</i>	<i>0</i>	<i>0</i>

24 Governors

No Governor has received any remuneration/waived payments from the group during the year (2021 none)

The total expenses paid to or on behalf of 20 Governors was £0.8k (2021 £0.4k to 20 Governors). This represents travel and subsistence expenses incurred in attending The Board meetings, sub-Committee meetings, University and Charity events in their official capacity.



Derriford Road
Plymouth
Devon, PL6 8BH
United Kingdom

+44(0)1752 636890
admissions@marjon.ac.uk
f t i s MarjonUni

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