



**Annual Statements  
2017**

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

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

**Registered number: 7635609**  
**For the year ended 31 July 2017**

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

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

Registered Number: 7635609  
For the year ended 31 July 2017

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## Company Information

### Status

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

### Group

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

### Secretary

Dr K Cook

### External Auditor

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

### Internal Auditor

PricewaterhouseCoopers LLP  
Princess Court  
23 Princess Street  
Plymouth  
PL1 2EX

### Bankers

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

### Solicitors

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

Royal Bank of Scotland  
57 Calthorpe Road  
Edgbaston  
Birmingham  
BI5 1TT

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

### 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 Group

The names of the persons who at any time during the year ended 31 July 2017 and up to the date that the financial statements were approved were members of the University Board of Governors are set out below. None of the members held any interest in any contract other than certain members who were employed by the group during the year ended 31 July 2017 and up to the date of approval of these statements.

- Professor Rob Warner – Vice-Chancellor and Chief Executive (from March 2017)
- Mr. Mike Baker - Academic Staff
- Mr. Richard Bayly - National Society
- Prof Patricia Broadfoot – Independent (until July 2017)
- Dr Karen Cook - Acting Vice-Chancellor and Chief Executive (from October 2016 to February 2017)
- The Rev'd Preb Cate Edmonds - Independent Diocesan
- Dr. Julie Evans - Academic staff (until May 2017)
- Ms Claire Gibson - Independent
- Mr Stephen Hobson-independent- (until September 17)
- The Rt. Rev'd Nick McKinnel - Independent Diocesan
- Mr Elias McGill - Student Union
- Mrs Diana Naylor - Professional Staff
- The Rt Rev'd Michael Perham - Chair and National Society (until January 2017)
- Mr Derek Pretty - Independent (Deputy Chair and Acting Chair (from January 2017) and Chair of Finance & Resources) (until July 2017)
- Mr Nigel Rowe MBE – Independent (Until July 2017)
- Mr Peter Upton - Independent Chair
- Mrs Emma Van der Lugt - Independent
- Ms Michelle Shoebridge - Independent- (from January 2017)
- Dr Sue Brownlow-Independent Diocesan- (from February 2017)
- Mr John Searson - Independent Diocesan (from April 2017)
- Dr Paul Bentley – Academic staff (from June 2017)
- Mrs Patricia Hind-Co-opted (from October 2016) and full independent member from November 2017
- Prof Chris King – National Society (from November 2017)
- Mr Graham Raikes – Independent- (from November 2017)
- Prof Cara Aitchison – Vice-Chancellor and Chief Executive (until September 2016)
- Prof Jonathan Barry - Independent- (until September 2016)
- Mr Charles Mills - Independent Diocesan - (until September 2016)
- Prof Patricia Broadfoot CBE- Independent- (until July 2017)
- The Very Rev'd Dr Jonathan Draper - Independent Diocesan - (until January 2017)
- Mr Mike Lincoln - Independent- (until November 2016)

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

Co-opted members of Board sub- committees included:

- Mr Mike Sturgess- Co-opted (from April 2017)
- Mrs Patricia Hind-Co-opted (from October 2016), full independent member from November 2017

## **Members of the University Board of Governors and Senior Management Group (continued)**

### **Senior Management Group**

The members of the Senior Management Group as at 31 July 2017 are listed below:

- Professor Rob Warner - Vice-Chancellor
- Dr Karen Cook - Deputy Vice-Chancellor
- Professor Brendon Noble - Pro Vice-Chancellor Research, Innovation & International
- Dr Ian Luke - Dean Faculty of Education, Enterprise & Culture
- Professor Andrew Edwards - Dean Faculty of Sport, Health & Wellbeing
- Mr Richard Watson - Director of Finance & Facilities
- Ms Katy Willis – Director of Marketing & Student Experience
- Mr Stephen Plant - Registrar
- Ms Lucy Pengelly - Director of Human Resources
- Mr David Riggs – Director of Learning Resources & Technology

Following the appointment of the new Vice-Chancellor in March 2017 a review of the staffing base of the University was undertaken, including a restructure of the senior management group. The Pro-Vice Chancellor Learning Teaching and Student Experience left the University in May and the Pro-Vice Chancellor Research, Innovation and International and the Deputy Vice-Chancellor have agreed to leave the University in October 2017 and January 2018 as part of this restructure process.

## **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 2017.

#### **Introduction**

The Board recognises that Marjon is facing significant challenges in taking forward its ambitious strategic plan, particularly in the context of the rapid and radical changes in higher education as a whole. In this context, and following the appointment of a new Vice-Chancellor; Professor Rob Warner in March 2017, the focus in the short term has moved to financial realignment, quality of student experience and the phased development of the undergraduate provision to secure realistic future growth. The success of the plan is reliant on the University community uniting behind it and actively engaging in its delivery.

Financial investment from the Higher Education Funding Council for England (HEFCE) through the Catalyst Fund has supported the developments in the portfolio to date, and enabled the embedding of teaching quality initiatives and the development of the research base for the University. This investment has had a significant impact on the University, reflected through the introduction of some promising new subject areas, the achievement of a silver Teaching Excellence Framework (TEF) rating and a change in the research culture within the University. This investment has been supported by a significant change in both the approach to marketing and external relations, with the intention of raising the University's profile and securing the University as a first choice destination for more students, particularly outside of the immediate geographical area. During the year the University changed its trading name to Plymouth Marjon University, ensuring the presence of the geographical locator.

The Catalyst Funding, which supported a number of senior management and development posts ends at 31 July 2017, and following a detailed review of the Higher Education landscape, including market growth projections the Board approved a business realignment plan. This has resulted in significant one off costs for staff restructuring incurred in the year to ensure that the University is in a position to meet the agreed financial plans for the next two years.

#### **Operating Review**

The 2016/17 year saw the achievement of a silver TEF rating and student satisfaction levels, as measured through the National Student Survey at 84%, in line with the national average, with a number of programmes securing 100% satisfaction levels. Student employability levels remained high with over 96% of graduating students moving into jobs or training within six months of leaving the University and 60% of those in graduate level posts.

A full review of the operations and workforce was undertaken in the year. University internal management and governance arrangements have been streamlined and the committee burden significantly reduced. The Vice-Chancellors Office Group has been revised and the senior management structure amended and posts reduced, adopting a flatter operational arrangement, with the reduced number of senior managers reporting directly to the Vice-Chancellor. The faculty structure has been revised, with a move to two, as opposed to three faculties; new academic initiatives will operate within the existing faculties until and unless they become strong enough to be freestanding, thereby minimising overheads and avoiding committee overload. Academic and professional service staff levels have been reduced in line with anticipated business need.

In line with the agreed estates development programme investment has been made in laboratory facilities to support developing areas of provision in the health and social sciences and a £3 million development of the student union and student facing facilities commenced in this year.

#### **Sustainability**

The operating deficit for the year of £1,430k includes £739k of staff restructuring costs and £990k of pension adjustments. The underlying operating position of £440k deficit was an improvement on the original budget following a mid-year review in response to known student recruitment that was lower than the strategic plan targets. In realigning the staff base the University is better placed to return to surplus in the period 2018/19, after another year of planned deficit in 2017/18. The University has strong cash reserves to support this strategy.

The Board are acutely aware of the volatility of the higher education market at this time and have ensured that a range of scenario plans are in place and regularly reviewed.

### **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 strategic review highlighted a range of risks to the University, the biggest risk being the adoption of a 'do nothing' scenario in a fast moving and challenging higher education climate. The adoption of the new strategic plan was the response to challenges as they impacted the University, but it is recognised that the sector remains volatile and uncertain.

The major risks to the University continue to be:

- Failure to meet student recruitment and retention targets
- Failure to improve academic reputation
- Failure to achieve financial sustainability

Progress on the plan is regularly monitored by senior management and the Governing Body through the risk register, regular meetings and strategy days.

### **Public Benefit Statement**

The University of St Mark & St John is both a company limited by guarantee and an exempt charity, regulated by the Higher Education Funding Council for England (HEFCE). 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 subsequent maintenance and carrying on of the University in accordance with the principles of the Church of England.

Originally established as a teacher training college in 1838, teacher education remains an area of distinctiveness today and from these roots the University has developed a wider range of public sector focussed provision in the fields of Youth and Community, Early Years Education, Speech and Language Therapy, Language Education, Sports Development, Coaching and Physical Education & Outdoor Adventure. This curriculum offer is augmented by provision in Media, the Arts and Humanities and Management.

The University is committed to the continuation of its position in respect of widening participation, with over 97% of students attending the University coming from State Sector schools and almost 40% from lower socio-economic groups; making the University one of the most inclusive institutions in England in 2016/17. As part of its widening participation strategy the University supports the raising of aspiration and attainment through the provision of workshops at feeder schools, mentoring programmes and summer schools, increasing awareness of the benefits of higher education. This ensures that those from traditionally low participation neighbourhoods (below 25% participation levels) are made aware of the choices open to them and supported through the decision making processes.

The University works hard to ensure that those students coming to the institution from disadvantaged backgrounds are supported, not only financially through our bursary and scholarship schemes, but by a well-qualified and experienced base of staff, in the professional and support services through to teaching staff. The University has retained Matrix accreditation for our student support services, which includes a financial support team, study skills and a strong disability team.

Most of the University 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 activities supporting initiatives such as 'Right to Read', 'Country Holidays for Inner City Kids' and various community projects. Students also have the opportunity to act as 'student ambassadors', mentors and 'student IT support' workers, working with current students, prospective students and the wider community.



Marjon Sports make an active contribution to the wider community, not only through the sports facilities being made available to community groups and schools locally, but through the supporting of sports within hub clubs, encouraging children from across the City to engage in active sport from a young age to their late teens. During 2016/17 the University-operated clinics have increased their work with the NHS, offering a range of rehabilitation programmes and are undertaking innovative work with the Macmillan Cancer Support, supporting patients in improving their health and wellbeing.

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

From a cultural perspective the University co-hosts with Plymouth University an annual public lecture series that is open to the public, lets out its drama facilities at cost or below to local community drama groups and has an open access policy for use of the library and learning resources centre.

The public benefits outlined above are funded largely through government funding for teaching and the charitable work of the University is also supported by the Governors, who give their time and wider support to the institution without payment. Notwithstanding the current financial climate, the University will continue to produce graduates whose primary role will be to work within and enhance the output of the public sector, and as an institution the University will continue in our charitable role to provide a broad range of public benefit to our community.

### **Payments to Governors**

No payments were made to the Governors during the year except in the reimbursement of expenses incurred on the University's business. These expenses amounted to £3,658.

### **Financial Highlights**

Financially the University has continued to deliver in line with forecasts in what is an increasingly challenging economic climate, returning an operating deficit of £440k after accounting for restructuring costs and prior to adjusting for FRS102 and the costs of the Local Government Pension Scheme (LGPS).

The original budget for the year predicted a higher deficit position, but this was revised at the mid-year review in line with the known student recruitment and changes in the staff base due to the late appointment of a range of posts. The cost base overall was lower than originally budgeted and improvements in monitoring allowed funds to be reallocated to revised priorities during the year.

The balance sheet remains strong, with a good level of cash reserves to support the on-going needs of the strategy. The University continued to invest in the asset base during 2016/17 with a focus on the development of student facing assets. The University is currently renegotiating the loan covenants it has, responding to the changes resultant from the adoption of FRS102. The strategic plan and the financial key performance indicators for the year have been achieved.

## **Statement of Responsibilities of the Board of Governors**

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

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

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

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

Members of the Board of Governors are responsible for ensuring that funds from HEFCE are used only in accordance with the Memorandum of Assurance and Accountability with HEFCE and any other conditions which HEFCE from time to time may prescribe and promoting the economic, efficient and effective management of the University's resources and expenditure, so that the benefits derived from the application of public funds provided by HEFCE are not put at risk.

## **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 2017.

### **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 2017.

### **Members' Statement as to Disclosure of Information to Auditor**

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

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

### **Auditor**

Bishop Fleming LLP were appointed as external auditor for the year 2016/17 in line with their appointment in 2015/16 following a competitive tender process.

The financial statements on pages 18 to 39 were approved by the Board of Governors of the University of St Mark & St John on 16<sup>th</sup> November 2017, and signed on its behalf by:

Peter Upton

**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 Directors' report, the Strategic report and the Financial Statements in accordance with the applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare financial statements in accordance with UK Accounting Standards.

Under company law the Board of Governors 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 University and of the profit or loss for the University in that period. In preparing the financial statements, the directors are required to:

- 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.

The Board of Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

## Statement of Corporate Governance

### Moral and Ethical Environment

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

The University is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the University has applied the principles set out in 'UK Corporate Governance Code' as published by the Financial Reporting Council in June 2007. In the opinion of the members of the University Board of Governors, the University complies with all the provisions of the Combined Code in so far as they apply to the Higher Education Sector, as adopted by the Committee of University Chairmen (CUC), and it has complied throughout the year ended 31 July 2017.

### How the University Is Governed

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

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

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

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

## Statement of Corporate Governance (continued)

### How the University Is Governed (continued)

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

### Governance during the year

The Governing Body of the University met four times in 2016/17. The University Board of Governors has six committees, which met on the following occasions:

1. Finance & Resources Committee – four meetings in 2016/17
2. Audit Committee – three meetings in 2016/17
3. Remuneration Committee – met twice to determine the remuneration of senior staff including the Vice-Chancellor
4. Governance & Nominations Committee - met three times to consider nominations for co-opted vacancies to the University Board of Governors and its committees.
5. Academic Standards & Student Experience Committee – formed in 2016/17, first meeting to be held in October 2017.
6. Estates Development Task Group - three meetings in 2016/17

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

The University Board of Governors received reports at each meeting on:

- a. National and Regional Developments, academic issues such as the results of the Destinations of Leavers from Higher Education (DLHE) survey, partnership developments, student recruitment, retention and performance and the Prevent Duty, as well as updates on the general financial situation, changes in key staff and University events and activities and reports to and from HEFCE.
- b. The management accounts and other financial information.
- c. Legal and estates matters.
- d. Details of Risk Management issues and developments.
- e. Minutes of the meetings of the Finance & Resources Committee and Audit Committee. In addition to the minutes, the Chairs of the respective committees frequently provided oral reports and received and responded to questions from Board of Governor members.

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

The Audit Committee met with the Internal Auditors on three occasions during the year to consider internal Audit Reports, review and plan forthcoming internal audit reviews and to receive the Internal Auditors annual report. The Committee met with the External Auditors twice in 2016/17 to consider the interim Audit Report and plan and to consider and receive the financial statements for the year. A representative from the University was in attendance at all meetings but, at the request of the Chair of the Audit Committee, left each meeting 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 2016/17 the Audit Committee commissioned reviews including:

Strategic Planning, Staff development, Student experience, Student accommodation, Core financial controls, Corporate Governance and Data Quality as well as a follow-up review of outstanding recommendations from 2015/16 audit reports. The Governors reviewed in detail the Leadership Foundation for Higher Education (LFHE) recommendations relating to Governance and addressed all agreed matters.

## **Statement of Corporate Governance (continued)**

### **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 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. This process has been in place for the year ended 31 July 2017 and up to the date of approval of the financial statements, and accords with HEFCE guidance.

The strategic risk register is updated throughout the year and reviewed at the main committees of the Board of Governors. The Senior Management Group and their sub-committees also review the risks at their meetings throughout the year and highlight changes to the Board. The process has been reviewed by the auditors and considered to be working effectively.

Our review of the effectiveness of the system of internal control is informed by the work of the executive managers within the institution, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the External Auditors in their reports. The External Auditors have provided a highlights memorandum and management letter in connection with the 2016/17 financial statements and their report to the Audit Committee will be forwarded to the Higher Education Funding Council for England.

The Board, through the Audit Committee, has reviewed the effectiveness of the system of control operating in 2016/17 and up 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

Peter Upton

**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)**

We have audited the consolidated financial statements of the University of St Mark and St John for the year ended 31 July 2017 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Balance Sheet, the Consolidated and University Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

This report is made solely to the company's Governing Body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 124B of the Education Reform Act 1988 and section 43 of the University's Articles of Association. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and University's affairs as at 31 July 2017, and of the Group's income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the Statement of Recommended Practice – Accounting for Further and Higher Education;
- meet the requirements of HEFCE's Accounts Direction to higher education institutions for 2016-17 financial statements; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis of 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Report of the Members of the Board of Governors and Consolidated Financial Statements, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements



does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

In our opinion, in all material respects:

- funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by HEFCE have been applied in accordance with the Memorandum of Assurance and Accountability and any other terms and conditions attached to them; and
- the corporate governance and internal control requirement of HEFCE's Accounts Direction to higher education institutions for 2016-17 financial statements have been met.

#### **Opinion on other matter 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 Board of Governors for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The Strategic Report and the Report of the Members of the Board of Governors have been prepared in accordance with applicable legal requirements.

#### **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 Board of Governors.

We have nothing to report in respect of the following matters where 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 of the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditors' report.

Pamela Tuckett FCA DChA (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:

**Consolidated Statement of Comprehensive Income and Expenditure**  
**Year Ended 31 July 2017**

	Notes	<b>Year ended 31 July 2017</b>	Year ended 31 July 2016
		<b>Consolidated £'000</b>	Consolidated £'000
<b>Income</b>			
Tuition fees and education contracts	1	<b>17,861</b>	18,447
Funding body grants	2	<b>2,136</b>	1,846
Research grants and contracts	3	<b>441</b>	116
Other income	4	<b>5,355</b>	5,112
Investment income	5	<b>601</b>	56
<b>Total income</b>		<b>26,394</b>	25,577
<b>Expenditure</b>			
Staff costs	6	<b>13,568</b>	12,547
Other operating expenses	8	<b>11,673</b>	9,778
Depreciation	9	<b>1,496</b>	1,616
Interest and other finance costs	7	<b>1,087</b>	1,069
<b>Total expenditure</b>		<b>27,824</b>	25,010
<b>(Deficit)/Surplus for the year</b>		<b>(1,430)</b>	567
Actuarial gain/(loss) in respect of pension schemes		<b>2,410</b>	(4,104)
<b>Total comprehensive income for the year</b>		<b>980</b>	(3,537)

All items of income and expenditure relate to continuing activities.

Notes on pages 26 – 39 form part of these financial statements.

**Consolidated and University Statement of Changes in Reserves  
Year Ended 31 July 2017**

<b>Consolidated</b>	<b>Income and expenditure account</b>	<b>Revaluation reserve</b>	<b>Total</b>
	£'000	£'000	£'000
<b>Balance at 1 August 2015</b>	<b>18,871</b>	<b>3,699</b>	<b>22,570</b>
Deficit from income and expenditure statement	567	-	567
Other comprehensive income	(4,104)	-	(4,104)
<b>Total comprehensive income for the year</b>	<b>(3,537)</b>	<b>-</b>	<b>(3,537)</b>
<b>Balance at 1 August 2016</b>	<b>15,334</b>	<b>3,699</b>	<b>19,033</b>
Deficit from income and expenditure statement	(1,430)	-	(1,430)
Other comprehensive income	2,410	-	2,410
<b>Total comprehensive income for the year</b>	<b>980</b>	<b>-</b>	<b>980</b>
<b>Balance as at 31 July 2017</b>	<b>16,314</b>	<b>3,699</b>	<b>20,013</b>

<b>University</b>	<b>Income and expenditure account</b>	<b>Revaluation reserve</b>	<b>Total</b>
	£'000	£'000	£'000
<b>Balance at 1 August 2015</b>	<b>18,978</b>	<b>3,699</b>	<b>22,677</b>
Deficit from income and expenditure statement	567	-	567
Other comprehensive income	(4,104)	-	(4,104)
<b>Total comprehensive income for the year</b>	<b>(3,537)</b>	<b>-</b>	<b>(3,537)</b>
<b>Balance at 1 August 2016</b>	<b>15,441</b>	<b>3,699</b>	<b>19,140</b>
Deficit from income and expenditure statement	(1,430)	-	(1,430)
Other comprehensive income	2,410	-	2,410
<b>Total comprehensive income for the year</b>	<b>980</b>	<b>-</b>	<b>980</b>
<b>Balance as at 31 July 2017</b>	<b>16,421</b>	<b>3,699</b>	<b>20,120</b>

Notes on pages 26 – 39 form part of these financial statements.

**Consolidated and University Balance Sheet  
Year Ended 31 July 2017**

	Notes	As at 31 July 2017		As at 31 July 2016	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Non-current assets</b>					
Fixed assets	9	33,777	33,795	32,612	32,629
Investments	10	3,608	3,608	3,378	3,378
		<u>37,385</u>	<u>37,404</u>	<u>35,990</u>	<u>36,007</u>
<b>Current assets</b>					
Stock	11	19	19	30	30
Trade and other receivables	12	1,343	1,431	2,009	2,099
Cash and cash equivalents	17	9,978	9,978	9,626	9,626
		<u>11,340</u>	<u>11,428</u>	<u>11,665</u>	<u>11,755</u>
Less: Creditors: amounts falling due within one year	13	(6,741)	(6,741)	(4,430)	(4,430)
<b>Net current assets</b>		<u>4,599</u>	<u>4,687</u>	<u>7,235</u>	<u>7,325</u>
<b>Total assets less current liabilities</b>		<u>41,984</u>	<u>42,091</u>	<u>43,225</u>	<u>43,332</u>
Creditors: amounts falling due after more than one year	14	(10,780)	(10,780)	(11,581)	(11,581)
<b>Provisions</b>					
Pension provisions	16	(11,191)	(11,191)	(12,611)	(12,611)
<b>Total net assets</b>		<u>20,013</u>	<u>20,120</u>	<u>19,033</u>	<u>19,140</u>
<b>Unrestricted Reserves</b>					
Income and expenditure reserve		16,314	16,421	15,334	15,441
Revaluation reserve		3,699	3,699	3,699	3,699
<b>Total Reserves</b>		<u>20,013</u>	<u>20,120</u>	<u>19,033</u>	<u>19,140</u>

The financial statements were approved by the University Board of Governors on 16<sup>th</sup> November 2017 and were signed on its behalf on that date by:

**Professor Rob Warner**  
Vice-Chancellor

**Peter Upton**  
Chair of the Board of Governors

Company registered number: 7635609

Notes on pages 26 – 39 form part of these financial statements.

**Consolidated and University Cash Flow  
Year Ended 31 July 2017**

	Notes	Year ended 31 July 2017 £'000	Year ended 31 July 2016 £'000
<b>Cash flow from operating activities</b>			
(Deficit)/surplus for the year		(1,430)	567
<b>Adjustment for non-cash items</b>			
Depreciation	9	1,496	1,616
Loss on disposal of fixed assets		786	-
Decrease/(increase) in stock	11	11	(1)
Decrease/(increase) in debtors		666	(117)
Revaluation (gain)/loss	10	(412)	130
Actuarial movement on pension	20	2,410	(4,104)
Increase in creditors		748	937
(Decrease)/increase in pension provision	16	(1,420)	4,273
<b>Adjustment for investing or financing activities</b>			
Income from dividends		(118)	(128)
Interest payable	7	1,087	1,069
Interest receivable	5	(38)	(49)
Taxation		10	-
<b>Net cash inflow from operating activities</b>		3,813	4,193
<b>Cash flows from investing activities</b>			
Payments made to acquire fixed assets	9	(1,918)	(1,087)
Purchase of investments	10	(839)	(581)
Sale of investments	10	1,020	818
Interest received	5	38	49
Income from investments	10	118	128
		(1,581)	(673)
<b>Cash flows from financing activities</b>			
Interest paid	7	(1,087)	(1,069)
Repayments of amounts borrowed		(793)	(695)
		(1,880)	(1,764)
<b>Increase in cash and cash equivalents in the year</b>		352	1,756
Cash and cash equivalents at beginning of the year	17	9,626	7,870
Cash and cash equivalents at end of the year	17	9,978	9,626

Notes on pages 26-39 form part of these financial statements.

## **Statement Of Accounting Policies Year Ended 31 July 2017**

### **1. 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.

### **2. Basis Of Consolidation**

The consolidated financial statements include the University and its subsidiary (Marjon (South West) Limited) for the financial year to 31 July 2017. 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.

### **3. 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 Income and Comprehensive 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 Comprehensive Income and Expenditure on a receivable basis.

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

#### **Grant Funding**

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

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

#### **Capital Grants**

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

### **4. Going Concern**

The University has sufficient financial resources together with continued funding. As a consequence, the directors believe that the University is well placed to manage its business risk successfully despite the current uncertain economic outlook. Detailed scenario planning has been undertaken with regard to possible changes in student behaviour as a result of the new fee regime and a 10 year strategic plan has been prepared. The directors are confident that the University is in a position to respond to the changes and remain a going concern. The cash generated in 2016/17 will also support the University in taking a managed and measured response to the possible changes in future funding.

## **Statement Of Accounting Policies (continued)** **Year Ended 31 July 2017**

### **Going Concern (continued)**

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.

### **5. Accounting For Retirement Benefits**

The 4 principal pension schemes for the University are:

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

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

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

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

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

#### **Defined Contribution Plan**

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

#### **Defined Benefit Plan**

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

### **6. Employment Benefits**

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

### **7. Operating Leases**

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



## **Statement Of Accounting Policies (continued)** **Year Ended 31 July 2017**

### **8. Fixed Assets**

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

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

#### **Buildings and Integral Fixtures and Fittings**

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

No depreciation is charged on freehold land.

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

#### **Other Fixtures and Fittings and Equipment**

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

Assets funded on a replacement basis by means of maintenance grants receivable from the Higher Education Funding Council for England are written off in the year in which they are purchased.

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

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

### **9. Capitalisation Of Interest**

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

### **10. Finance Costs**

The finance cost of loans are charged to the Statement of Comprehensive Income and Expenditure over the term of the individual loans using the effective interest method.

### **11. Investments**

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

### **12. Stock**

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

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

### **13. Cash and Cash Equivalents**

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

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

## **Statement Of Accounting Policies (continued)** **Year Ended 31 July 2017**

### **14. Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised in the financial statements when:

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

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

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

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

### **15. Foreign Currencies**

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

### **16. Taxation Status**

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

### **17. Maintenance Costs**

The cost of routine maintenance is charged to the Statement of Comprehensive Income and Expenditure 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.

### **18. 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 predicts the potential outlay required as 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 and doubtful 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 2017**

**1 Tuition fees and education contracts**

	Year Ended 31 July 2017		Year Ended 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Full-time home and EU students	17,250	17,250	18,130	18,130
Full-time international students	271	271	27	27
Part-time students	340	340	290	290
	<u>17,861</u>	<u>17,861</u>	<u>18,447</u>	<u>18,447</u>

**2 Funding body grants**

	Year Ended 31 July 2017		Year Ended 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Recurrent grant</b>				
Higher Education Funding Council	2,091	2,091	1,601	1,601
Skills Funding Agency	-	-	11	11
National College for Teaching & Leadership	35	35	105	105
Capital grant	-	-	129	129
Other	10	10	-	-
	<u>2,136</u>	<u>2,136</u>	<u>1,846</u>	<u>1,846</u>

**3 Research grants and contracts**

	Year Ended 31 July 2017		Year Ended 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Government (UK and overseas)	441	441	116	116

**4 Other income**

	Year Ended 31 July 2017		Year Ended 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Residents, catering and conferences	2,565	2,565	2,421	2,421
Other income	2,790	2,790	2,691	2,691
	<u>5,355</u>	<u>5,355</u>	<u>5,112</u>	<u>5,112</u>

**Notes To The Accounts (continued)**  
**Year Ended 31 July 2017**

**5 Investment income**

	Year Ended 31 July 2017		Year Ended 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Investment income	151	151	137	137
Interest receivable	38	38	49	49
Investment revaluation	412	412	(130)	(130)
	<u>601</u>	<u>601</u>	<u>56</u>	<u>56</u>

**6 Staff costs**

	Year Ended 31 July 2017		Year Ended 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Salaries	9,812	9,812	10,119	10,119
Restructuring costs	739	739	-	-
Social security costs	830	830	750	750
Other pension costs	2,187	2,187	1,678	1,678
Total	<u>13,568</u>	<u>13,568</u>	<u>12,547</u>	<u>12,547</u>

During the year 2016/17 the previous Vice-Chancellor was in post until 30<sup>th</sup> September 2016 (VC1), an Acting Vice-Chancellor between 1<sup>st</sup> October to 28<sup>th</sup> February 2017(Acting VC), and a new Vice-Chancellor (VC2) from the 1<sup>st</sup> March to 31<sup>st</sup> July 2017. The emoluments below include amounts paid to all of these individuals whilst in post as Vice-Chancellor.

Emoluments of the Vice-Chancellor	2017	2017	2017	2017	2016
	VC 1 £'000	Acting VC £'000	VC 2 £'000	Total £'000	
Salary	32	59	62	153	198
Social security costs	5	8	8	21	25
Pension contributions	1	12	10	23	21
	<u>38</u>	<u>79</u>	<u>80</u>	<u>197</u>	<u>244</u>

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

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

	2017 No.	2016 No.
£100,000 to £109,999	0	1
£120,000 to £129,999	1	0

Total compensation for loss of office payable to staff earning in excess of £100,000 was £58,000 (2016: £nil) relating to one individual.

**Notes To The Accounts (continued)**  
**Year Ended 31 July 2017**

**Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs includes compensation paid to key management personnel. Key management personnel have been noted at page 5 and the balance below also includes the previous Vice-Chancellor and the Pro Vice-Chancellor for Learning, Teaching and Student Experience who both left during the year.

	<b>2017</b>	2016
	<b>£'000</b>	£'000
Key management personnel compensation (including pension and social security)	<b>1,066</b>	1,050

**Council members**

No payments have been made to council members in the year ending 31 July 2017 (2016: £nil). The total expenses paid to or on behalf of 20 council members was £3,658 (2016 - £3,666 to 20 council members). These travel and subsistence expenses were incurred in attending Council, Committee meetings and Charity events in their official capacity.

	<b>2017</b>	2016
	<b>No.</b>	No.
<b>Average staff numbers by major category</b>		
Academic	<b>94</b>	100
Professional services and other	<b>241</b>	233
	<b><u>335</u></b>	<u>333</u>

**7 Interest and other finance costs**

	Year Ended 31 July 2017		Year Ended 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Loan interest	783	783	775	775
Pension interest costs	304	304	294	294
	<b><u>1,087</u></b>	<b><u>1,087</u></b>	<b><u>1,069</u></b>	<b><u>1,069</u></b>

**8 Analysis of total expenditure by activity**

	Year Ended 31 July 2017		Year Ended 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Academic and related expenditure	4,997	4,997	3,786	3,786
Administration and central services	1,056	1,056	842	842
Premises (incl service concession cost)	2,759	2,759	3,187	3,187
Residences, catering and conferences	826	826	882	882
Loss on disposal of fixed assets	787	787	-	-
Other expenses	1,248	1,248	1,081	1,081
	<b><u>11,673</u></b>	<b><u>11,673</u></b>	<b><u>9,778</u></b>	<b><u>9,778</u></b>
Other expenses include:				
External auditors remuneration				
- in respect of audit services	21	21	18	18
- in respect of non-audit services	2	2	3	3
Operating lease rentals	34	34	41	41

**Notes To The Accounts (continued)**  
**Year Ended 31 July 2017**

**9 Fixed Assets**

<b>Consolidated</b>	<b>Freehold Land &amp; Buildings £'000</b>	<b>Leasehold Land &amp; Buildings £'000</b>	<b>Fixtures, Fittings &amp; Equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 August 2016	39,089	1,603	18,091	58,783
Additions	3,349	-	99	3,448
Disposals	(1,527)	-	(515)	(2,042)
<b>As at 31 July 2017</b>	<b>40,911</b>	<b>1,603</b>	<b>17,675</b>	<b>60,189</b>
<b>Depreciation</b>				
At 1 August 2016	10,335	1,603	14,234	26,172
Charge for the year	808	-	688	1,496
Disposals	(828)	-	(428)	(1,256)
<b>As 31 July 2017</b>	<b>10,315</b>	<b>1,603</b>	<b>14,494</b>	<b>26,412</b>
<b>Net book value At 31 July 2017</b>	<b>30,596</b>	<b>0</b>	<b>3,181</b>	<b>33,777</b>
At 31 July 2016	28,755	0	3,857	32,612
<b>University</b>				
<b>Cost</b>				
At 1 August 2016	39,106	1,603	18,001	58,710
Additions	3,349	-	99	3,448
Disposals	(1,527)	-	(515)	(2,042)
<b>As at 31 July 2017</b>	<b>40,928</b>	<b>1,603</b>	<b>17,585</b>	<b>60,116</b>
<b>Depreciation</b>				
At 1 August 2016	10,335	1,603	14,143	26,081
Charge for the year	808	-	688	1,496
Disposals	(828)	-	(428)	(1,256)
<b>As 31 July 2017</b>	<b>10,315</b>	<b>1,603</b>	<b>14,403</b>	<b>26,321</b>
<b>Net book value At 31 July 2017</b>	<b>30,613</b>	<b>0</b>	<b>3,182</b>	<b>33,795</b>
At 31 July 2016	28,771	-	3,858	32,629

At 31 July 2017, freehold land and buildings included £3,884,000 (2016: £3,884,000) in respect of freehold land and is not depreciated.

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

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

**Notes To The Accounts (continued)**  
**Year Ended 31 July 2017**

**10 Non-Current Investments**

Consolidated	Subsidiary companies £	Quoted investments £	Total £
<b>At 1 August 2016</b>	-	3,378,234	<b>3,378,234</b>
Additions	-	838,656	<b>838,656</b>
Disposals	-	(1,020,492)	<b>(1,020,492)</b>
Revaluation	-	412,031	<b>412,031</b>
<b>At 31 July 2017</b>	<b>-</b>	<b>3,608,429</b>	<b>3,608,429</b>
<b>University</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 August 2016</b>	100	3,378,234	<b>3,378,334</b>
Additions	-	838,656	<b>838,656</b>
Disposals	-	(1,020,492)	<b>(1,020,492)</b>
Revaluation	-	412,031	<b>412,031</b>
<b>At 31 July 2017</b>	<b>100</b>	<b>3,608,429</b>	<b>3,608,529</b>

The historic cost of the quoted investments was £3,196,398 (2016: £3,210,346).

The University holds 100 Ordinary shares of £1 each, which represents 100% of the share capital of Marjon (South West) Limited, a company incorporated in England. The principal activity of Marjon (South West) Limited in 2013/14 was the provision of catering services. In 2014/15 these activities were carried through the University. Since then Marjon (South West) Limited has been dormant. Marjon (South West) Limited has net liabilities of £87,703 (2016: £87,703) and the results have been consolidated into these financial statements

**11 Stock**

	Year Ended 31 July 2017		Year Ended 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Raw materials and consumables	<b>19</b>	<b>19</b>	30	30

**12 Trade and other receivables**

	Year Ended 31 July 2017		Year Ended 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts falling due within one year:				
Fees and grants receivable	<b>592</b>	<b>592</b>	774	776
Other receivables	<b>205</b>	<b>205</b>	651	651
Prepayments and accrued income	<b>546</b>	<b>546</b>	584	584
Amounts due from subsidiary companies	-	<b>88</b>	-	88
	<b>1,343</b>	<b>1,431</b>	2,009	2,099

**Notes To The Accounts (continued)**  
**Year Ended 31 July 2017**

**13 Creditors: amounts falling due within one year**

	Year Ended 31 July 2017		Year Ended 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Bank loans	659	659	626	626
Investors loans	52	52	44	44
Unsecured loans	90	90	123	123
Trade payables	2,805	2,805	1,458	1,458
Social security and other taxation payable	402	402	440	440
Other creditors	85	85	191	191
Accruals and deferred income	2,648	2,648	1,548	1,548
	<u>6,741</u>	<u>6,741</u>	<u>4,430</u>	<u>4,430</u>

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

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

**Deferred income**

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

	Year Ended 31 July 2017		Year Ended 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Research grants received on account	111	111	60	60
Grant income	544	544	468	468
Other income	569	569	567	567
	<u>1,224</u>	<u>1,224</u>	<u>1,095</u>	<u>1,095</u>

**14 Creditors: amounts falling due after more than one year**

	Year Ended 31 July 2017		Year Ended 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Investors' loan	561	561	612	612
Bank loans:				
Capital Development loan	817	817	1,149	1,149
Estate Development loan	9,402	9,402	9,730	9,730
Unsecured loans	-	-	90	90
	<u>10,780</u>	<u>10,780</u>	<u>11,581</u>	<u>11,581</u>



**Notes To The Accounts (continued)**  
**Year Ended 31 July 2017**

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

	Year Ended 31 July 2017		Year Ended 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Analysis of secured and unsecured loans:				
Due within one year or on demand (note 13)	801	801	793	793
Due between one and two years	757	757	802	802
Due between two and five years	1,867	1,867	2,122	2,122
Due in five years or more	8,156	8,156	8,657	8,657
Due after more than one year	<u>10,780</u>	<u>10,780</u>	<u>11,581</u>	<u>11,581</u>
Total secured and unsecured loans	<u>11,581</u>	<u>11,581</u>	<u>12,374</u>	<u>12,374</u>

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

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

The investors' loan carries interest at an effective rate of 10.3% per annum and is repayable over 25 years commencing in December 1998. The loan is also secured on a bank deposit account holding 2017: £87,000 (2016: £77,000) included in cash at bank and in hand. The bank deposit account is a fund for the repayment of the BES loan (see note 15) which is the nature of the security. The University cannot access these funds without the consent of Capital Ventures Plc.

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

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

**15 Business Expansion Scheme**

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

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

**Notes To The Accounts (continued)**  
**Year Ended 31 July 2017**

**15 Business Expansion Scheme (continued)**

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

**16 Provisions for liabilities**

<b>Consolidated</b>	<b>Defined Benefit Obligations (Note 20) £'000</b>
At 1 August 2016	(12,611)
Additions in 2016/17	1,420
<b>At 31 July 2017</b>	<b><u>(11,191)</u></b>
<b>University</b>	<b>Defined Benefit Obligations (Note 20) £'000</b>
At 1 August 2016	(12,611)
Additions in 2016/17	1,420
<b>At 31 July 2017</b>	<b><u>(11,191)</u></b>

**17 Cash and cash equivalents**

	<b>At 1<sup>st</sup> August 2016 £'000</b>	<b>Cash Flows £'000</b>	<b>At 31<sup>st</sup> July 2017 £'000</b>
<b>Consolidated</b>			
Cash and cash equivalents	<u>9,626</u>	<u>352</u>	<u>9,978</u>

**18 Capital and other commitments**

Provision has not been made for the following capital commitments at 31 July 2017:

	<b>31/07/2017</b>		<b>31/07/2016</b>	
	<b>Consolidated £'000</b>	<b>University £'000</b>	<b>Consolidated £'000</b>	<b>University £'000</b>
Commitments contracted for	<u>2,267</u>	<u>2,267</u>	<u>-</u>	<u>-</u>

**19 Contingent liabilities**

**Group and University**

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

**Notes To The Accounts (continued)**  
**Year Ended 31 July 2017**

**20 Pension Schemes**

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

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

Details of the schemes are as follows:

**Total pension costs for the year**

	<b>As at 31 March 2017 £000</b>	<b>As at 31 March 2016 £000</b>
TPS: contributions paid	653	673
USS: contributions paid	54	65
CoE: contributions paid	9	8
LGPS:		
Contributions paid	809	1,083
FRS102 charge	662	(151)
 Total pension cost for the year within staff cost	<b>2,187</b>	<b>1,678</b>

**i. Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, in England and Wales that are maintained by local authorities. Membership is automatic for full-time teachers and lecturers and, from January 2007, automatic too for teachers and lecturers in part time employment following appointment or change in contract. Teachers and lecturers are able to opt out of TPS.

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 9 June 2014. The key results of the valuation are:

- New employer contribution rates were set at 16.48% of pensionable pay (including administration fees of 0.08%);
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion;
- an employer cost cap of 10.9% of pensionable pay.

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

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

**Notes To The Accounts (continued)**  
**Year Ended 31 July 2017**

**20 Pension Schemes (continued)**

**ii. Universities' Superannuation Scheme**

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

The University has 2 (2016: 3) active members participating in the scheme, to include both final salary and career revalued benefit schemes. The current employer contribution rate is 18%.

The latest triennial actuarial valuation of the scheme was at 31 March 2014. The 2017 valuation is underway. Key highlights from this report are as follows:

**Funding position**

	<b>As at 31 March 2017 (£bn)</b>	<b>As at 31 March 2016 (£bn)</b>
Liabilities	77.5	58.3
Assets	60.0	49.8
Shortfall	(17.5)	(8.5)
Funding level	77%	85%

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

**iii. London Pension Fund**

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

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

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

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

The valuation used for FRS102 disclosures has been based on the most recent actuarial valuation as at 31 March 2016 and updated by Barnett Waddingham to take account of the requirements of FRS102 in order to assess the liabilities of the scheme at 31 July 2017. Scheme assets are stated at their market values at the respective balance sheet dates.

**Notes To The Accounts (continued)**  
**Year Ended 31 July 2017**

**20 Pension Schemes (continued)**

	<b>2017</b>	2016	2015
Main assumptions	%	%	%
Rate of salary increases	<b>4.2</b>	3.9	4.4
Rate of increase in pensions in payment	<b>2.7</b>	2.1	2.6
Discount rate	<b>2.7</b>	2.5	3.8
Inflation assumptions(RPI)	<b>3.6</b>	3.0	2.6

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

	<b>Long term rate of return expected 2017 %</b>	<b>Value 2017 £000's</b>		Long term rate of return expected 2016 %	Value 2016 £000's		Long term rate of return expected 2015 %	Value 2015 £000's
Equities	<b>2.5</b>	<b>13,310</b>		2.5	9,653		3.8	7,576
Bonds		<b>4,503</b>			4,562			3,329
Infrastructure		<b>978</b>			1,326			920
Commodities		-			100			77
Property		<b>1,414</b>			701			538
Cash		<b>1,505</b>			780			2,211
Cashflow matching		-			1,640			2,477
Total market value of assets		<b><u>21,710</u></b>			<b><u>18,762</u></b>			<b><u>17,128</u></b>

	<b>2017 £000's</b>	2016 £000's	2015 £000's
Estimated assets share for the University	<b>21,710</b>	18,762	17,128
Present value of scheme liabilities	<b>(32,888)</b>	(31,358)	(25,451)
Present value of unfunded liabilities	<b>(13)</b>	(15)	(15)
Net pension liability	<b><u>(11,191)</u></b>	<b><u>(12,611)</u></b>	<b><u>(8,338)</u></b>

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

	<b>Males</b>	<b>Females</b>
Current pensioners	20.7	24.5
Future pensioners	23.0	26.7

**Notes To The Accounts (continued)**  
**Year Ended 31 July 2017**

**20 Pension Schemes (continued)**

An analysis of the defined benefit profit and loss cost attributes to the University for the year 31 July 2017 is as follows:

	<b>2017</b> <b>£000's</b>	2016 £000's
Current service cost	<b>1,502</b>	1,088
Administrative expenses	<b>24</b>	26
Net interest on the defined liability	<b>304</b>	294
Total cost	<b>1,830</b>	1,408

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

	<b>2017</b> <b>£000's</b>	2016 £000's
Changes in assumptions underlying the present value of scheme liabilities	<b>(1,585)</b>	(4,370)
Return on assets less interest	<b>2,394</b>	266
Experience gain on defined benefit obligation	<b>1,794</b>	-
Other actuarial gain/(loss)	<b>(193)</b>	-
Actuarial gain/(loss)	<b>2,410</b>	(4,104)

**Movement in the deficit attributable to the University during the year**

	<b>2017</b> <b>£000's</b>	2016 £000's
Reconciliation of the defined benefit obligation		
<b>Opening defined benefit obligation</b>	<b>31,373</b>	25,466
Service cost	<b>1,502</b>	1,088
Interest cost	<b>777</b>	959
Change in financial assumptions	<b>1,947</b>	4,370
Estimated benefits paid net of transfers in	<b>(819)</b>	(756)
Contributions to the scheme participants and other employees	<b>279</b>	248
Unfunded pension payments	<b>(2)</b>	(2)
Change in demographic assumption	<b>(362)</b>	-
Experience (gain) on defined benefit obligation	<b>(1,794)</b>	-
<b>Closing defined benefit obligation</b>	<b>32,901</b>	31,373

**Notes To The Accounts (continued)**  
**Year Ended 31 July 2017**

**20 Pension Schemes (continued)**

Reconciliation of the fair value of scheme assets	<b>2017</b>	2016
	<b>£000's</b>	£000's
<b>Opening fair value of scheme assets</b>	<b>18,762</b>	17,128
Interest on assets	473	665
Return on assets less interest	2,394	266
Administrative expenses	(24)	(26)
Contributions by the employer including unfunded	840	1,239
Contributions to the scheme participants and other employees	279	248
Estimate benefits paid plus unfunded net of transfers in	(821)	(758)
Other actuarial gain/(loss)	(193)	-
<b>Closing fair value of fund assets</b>	<b>21,710</b>	18,762

Reconciliation of opening and closing surplus	<b>2017</b>	2016
	<b>£000's</b>	£000's

<b>Deficit in the scheme at the beginning of the year</b>	<b>(12,611)</b>	(8,338)
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Movement in the year:		
Current service cost	(1,502)	(1,088)
Employer contributions	840	1,237
Contributions in respect of unfunded benefits	-	2
Other financial losses	(304)	(294)
Administrative expenses	(24)	(26)
Actuarial gains/(losses)	2,410	(4,104)

<b>Deficit in the scheme at end of year</b>	<b>(11,191)</b>	(12,611)
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	<b>Group</b>		<b>University</b>	
	<b>2017</b>	2016	<b>2017</b>	2016
	<b>£000's</b>	£000's	<b>£000's</b>	£000's
<b>Net assets</b>				
Net assets excluding pension liability	<b>31,204</b>	31,644	<b>31,311</b>	31,751
Pension liability	<b>(11,191)</b>	(12,611)	<b>(11,191)</b>	(12,611)
Net assets including pension liability	<b>20,013</b>	19,033	<b>20,120</b>	<b>19,140</b>

- iv. The Church of England Pensions Scheme has one member and the contributions for the year ending 31 July 2017 were £9,296.

The latest valuation of the scheme was completed on the 31 December 2012. The total assets of the scheme at this date were £896m with total liabilities of £1,189m (a deficit of £293m).

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

**Notes To The Accounts (continued)**  
**Year Ended 31 July 2017**

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

**21 Related Party Transactions**

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

Transactions have occurred with Marjon Tenancies 1 Limited (subsidiary - not wholly owned) in relation to the Business Enterprise Scheme (as documented in note 15). Interest has been charged to the University of £48,840 (2016: £53,233) and repayments have been made in the year of £92,148 (2016: £88,578).



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