

**St Mary's
University,
Twickenham**



ST MARY'S UNIVERSITY, TWICKENHAM

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 JULY 2021



**A company limited by guarantee and registered in England and Wales under number
05977277
Registered Office: Waldegrave Road, Strawberry Hill, Twickenham, TW1 4SX
Registered Charity Number: 1120192**

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Administrative Information: Year ended 31 July 2021

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Website

www.stmarys.ac.uk

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Chancellor

Cardinal Vincent Nichols

Board of Governors

Rt Rev Richard Moth (Chair)
Mr Paul Barber (Appointed 3 March 2021)
Mr David Brambell
Ms Victoria Calvino (Appointed 1 July 2021)
Dr Christine Campbell
Mr Charlie Canning (Resigned 1 July 2021)
Mr Jeffrey W. Cottle
Ms Noreen Doyle
Fr Richard Finn OP (Resigned 15 December 2020)
Dr Fiona Gatty (Appointed 21 October 2021)
Mr David Hartnett
Mr George Jenkin (Appointed 3 March 2021)
Mr Anthony McClaran
Ms Claire McDonnell
Miss June Mulroy
Professor Anne Moran (Resigned 5 March 2021)
Mr Pietro Palladino
Mrs Kristen Pilbrow (Resigned 15 December 2020)
Mrs Deborah Streatfield (Appointed 19 July 2021)
Professor Dominic Tildesley (Appointed 21 October 2021)
Mr John Unsworth (Resigned 1 October 2021)

Company Secretary

Mr Andrew Browning

Senior officers

Vice-Chancellor
Provost
Interim Provost
Pro Vice-Chancellor (Global Engagement)
Chief Operating Officer
Chief Financial Officer

Mr Anthony McClaran
Professor John Charmley (to 31 July 2021)
Professor Symeon Dagkas (Appointed 1 August 2021)
Mr Paul Bridge
Mrs Jo Blunden
Mr Richard Solomon

Administrative Information (continued): Year ended 31 July 2021

Bankers

Barclays Bank Plc
Leicester
LE87 2BB

HSBC Bank Plc
133 Regent Street
London
W1B 4HX

Santander UK plc
2 Triton Square
Regent's Place
London
NW1 3AN

External auditors

BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

Internal auditors

RSM UK LLP
Third Floor
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

Vice-Chancellor's Foreword: Year ended 31 July 2021

Vice-Chancellor's Foreword: Year ended 31 July 2021

On behalf of the University, I am pleased to present our Annual Report and Financial Statements for 2020/21.

Once again, this year has been a challenging one. The pandemic has continued to cause significant disruption to life at St Mary's and, indeed, across the rest of the HE and Education sector. However, despite these difficult times, I have been continually impressed by our students' and staff's resilience, and the commitment they have shown to their work and studies. As we move out of restrictions and towards something approaching normality, we are committed to offering everyone a safe return to campus. We will continue to utilise the innovations in our ways of working and offer flexible academic delivery to ensure the best learning outcomes for our students.

Aside from the pandemic, 2020 and 2021 have been significant years in many ways. Following on from the waves of passionate protest that followed the murders of George Floyd in the United States and of Sarah Everard, St Mary's has renewed its commitment to equality and racial justice, and to combatting sexual harassment and assault. We have an active Equality, Diversity and Inclusion (EDI) Staff Board which oversees the strategic management of the staff EDI programme of activity, setting the staff EDI agenda across the University. We are also in the process of applying for the Athena SWAN Bronze Small and Specialist Institution award in 2021 and have committed to Advance HE's Race Equality Charter, adopting its five guiding principles that underpin our efforts to improve our policies, practices, and culture through structured action planning.

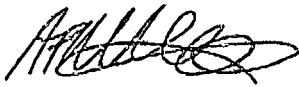
This year, we embarked on renewing the University's strategic plan to ensure that we learn from and capitalise on the innovations and advances in delivery and pedagogy we have made over the past year. *Vision 2030* builds on the success of its predecessor, *Vision 2025*, and sets our direction for the future. Whilst our Mission and Values remain constant, rooted in our open and inclusive Catholic identity, our new Vision is built around five key strategic pillars - Student Success, Growth, Partnerships, People and Place - that will be vital to ensuring St Mary's future is secure. Alongside this significant new chapter of the University's history, St Mary's continues to build on our successes. This spring, the University received its Research Degree Awarding Powers, a significant step forward for St Mary's and the final stage of the University having full degree awarding powers. The University further demonstrated its continued commitment to its students in the summer, ranking highly in the National Student Survey. We scored 2nd in London, and 17th nationally for overall satisfaction, and (when excluding specialist institutions) St Mary's is 1st in London for Learning Opportunities and Learning Community. As we look forward to the new academic year, we have now opened our Edinburgh campus, the Gillis Centre, which will provide postgraduate, part-time MA courses for those interested in deepening their studies in a faith-based context.

The University also bade farewell to Professor John Charmley, our Provost, who retired this summer. During his time here, John made a great contribution to the academic life of the University and we're delighted that he will continue to contribute to St Mary's through his involvement with our wider Catholic mission. Our Deputy Provost, Professor Symeon Dagkas, became Interim Provost on 1 August 2021 and will take us through the next six months while the substantive post is advertised internally and externally.

Vice-Chancellor's Foreword (continued): Year ended 31 July 2021

These are testing times for the UK higher education sector. The removal of the London weighting has resulted in reduced funding for the University, and whilst we still remain in a strong financial position, due to our prudent planning and financial management, we need to remain vigilant and financially responsible. At the centre of our new Vision is our strategic pillar of Growth, which will aid us in continuing to plan a sustainable future for the University. However, whilst these are uncertain times, during periods like this, universities reflect on the core, indelible aspects of their character to help them navigate the challenges they face. St Mary's remains committed to imbuing higher education with character formation, drawing on the philosophy and writing of St. John Henry Newman. Our four core values of inclusiveness, generosity of spirit, respect and excellence guide our interactions within the University and with the broader world, and will ensure the University emerges from this period stronger and more focused than ever.

Anthony McClaran
Vice-Chancellor



26 November 2021

Directors' Report: Year ended 31 July 2021

Directors' Report: Year ended 31 July 2021

The Governors, as Directors of the University, present the Directors' Report for the year ended 31 July 2021.

Governors during the year

The current Board of Governors and details of those who served during the year 2020/2021 are set out on page 1. Over the past year, Fr Richard Finn has stepped down as the representative of the Catholic Education Service ("CES") with Paul Barber, the Director of the CES, coming onto the Board in his place. After completing her three-year term of office, our non-academic staff representative, Kristen Pilbrow has stepped down from the Board with George Jenkin being elected onto the Board as her replacement. Charlie Canning, the student's union representative for 2020/2021 has been replaced by Victoria Calvino, the student union's Education President. Professor Anne Moran, who served on the Board for four years has stepped down, as did John Unsworth in October. We have welcomed Deborah Streatfield, who was appointed to the Board in July 2021. Subsequent to the financial year end, on 21 October 2021, we welcomed Professor Dominic Tildesley and Dr Fiona Gatty to the Board of Governors. We want to thank all those who have left the Board this year for their service to the University.

Company Secretary

Following a minor re-organisation within the Vice-Chancellor's Office, the role of Clerk to the Board of Governors was merged with that of the University Secretary. As a result, Andrew Browning, whose previous title was Clerk to the Board, was appointed University Secretary and Head of Governance. This role includes being Clerk to the Board as well as being Company Secretary for the University.

Governors' Indemnity

Throughout the financial year, the University purchased and maintained Governors' indemnity insurance which would indemnify Governors if proceedings were to be brought by third parties.

Public Benefit

The University is a registered charity under the terms of the Charities Act 2011. In preparing this statement of public benefit, the Governors have had regard to the Charity Commission's guidance on the reporting of public benefit and its supplementary public benefit guidance on the advancement of education. The University meets its public benefit requirements by teaching a diverse curriculum and educating a broad range of students.

Key beneficiaries of the work of St Mary's include:

- our current and prospective students;
- the local and broader community, mainly through engagement with St Mary's volunteers;
- the wider academic community and public bodies nationally and internationally in respect of research output; and
- Society as a whole and the national economy in respect of well-educated, employable graduates.

The University also takes into account its public benefit and Catholic ethos and identity when setting its fees and developing its strategy for widening participation, key elements of which form a core of St Mary's Access and Participation Plan, which is approved by the Office for Students (OfS), inter alia, the fees St Mary's charges to students, the bursaries the University offers and details of other activities such as outreach activities focusing on students from lower socio-economic groups. In terms of outreach, St Mary's is committed to an extensive programme of activities that aim to raise aspirations and improve access to higher education for those students from under-represented groups. This includes activities for students on vocational courses, work with mature students, children and young people and initiatives to widen access through our strong reputation for sport.

Dividends

The University does not pay dividends; any surplus is retained by the University.

Disclosure of Information to Auditors

The Governors confirm that so far as they are aware, there is no relevant audit information of which the University's auditors are unaware. They have taken all the steps that they ought to have taken as members of

Directors' Report (continued): Year ended 31 July 2021

Disclosure of Information to Auditors (continued)

the Board to make themselves aware of any relevant audit information and to establish that the University's auditors are aware of that information.

Political Donations

The University has not made any political donations during the year ended 31 July 2021 (2020: Nil).

Statement of Corporate Governance Arrangements

The University has adopted the Committee of University Chairs (CUC) Higher Education Code of Governance (2020 Version) published on 16 September 2020, which applies to our reporting for 2020/2021 and subsequent years. This code contains six elements instead of seven. The Board of Governors were briefed on the new code when they met on 7 October 2020 and reference will be made to the 2020 CUC Code in future statements of corporate governance arrangements. Set out below is a summary of how the University seeks to meet the requirements of these.

Element 1 - Accountability

The Board of Governors is collectively responsible and accountable for institutional activities and approves all final decisions of fundamental concern within its remit. It has a transparent scheme of delegation which is updated as required setting out the roles and responsibilities between the Executive and the Board of Governors. Minutes of meetings of the Board of Governors and other corporate statements are published on the University's website. Board members are expected to declare any interests they have outside of the University and are required to declare any interests on an annual basis. The internal auditors carry out regular audits of due diligence processes within the University and these are reviewed by the Audit Committee.

Element 2- Sustainability

The Board of Governors upholds the University's mission, character and reputation and sets the values and standards that underpin the University's strategy and operation. It is involved in developing the University's strategic plan and receiving regular updates as to the progress that the University is making to achieve its aims. The Board of Governors is responsible for ensuring that the regulatory requirements for the University are met. It ensures that through the Academic Board and the Academic Scrutiny Committee it is provided with assurance on academic standards and risks. The Board of Governors has continued to uphold the principle of academic freedom with this principle being enshrined within the University's articles of association. The Remuneration Committee considers the emoluments of the Vice-Chancellor and other senior staff. The University have external auditors to review the Annual Report and Financial statements and whose work is overseen by the Audit Committee.

Element 3 - Reputation

Under the Board of Governors Regulations, Board members are required to act ethically and in line with the "Nolan" principles of public life. Systems are in place to deal with any instances where there are any transgressions of these. The University Secretary maintains a register of members' interests. Stakeholders are engaged in strategic issues, and there is both a student and two staff members sitting on the Board of Governors. The University has a whistleblowing process which includes an appeal stage to the Chair of the Audit Committee where necessary.

Element 4 - Inclusion and Diversity

The Finance and Resources Committee approved and oversees a People Strategy for the University which promotes equality and diversity and sets out clear KPIs. Progress towards meeting these KPIs is reported to both the Committee and the Board of Governors. The University has policies and procedures in place which aim to eliminate discrimination. Due to the significant growth of the Staff EDI Group a more formal Staff EDI Board has been created, with clear governance, reporting into the University Executive Committee.

Directors' Report (continued): Year ended 31 July 2021

Statement of Corporate Governance Arrangements (continued)

Element 5- Effectiveness

The University Secretary is responsible for advising Board members and keeping them briefed on compliance with the governing instruments and Board regulations. All members of the governing body have access to the University Secretary and the Board is responsible for the appointment (and removal) of the University Secretary. The Nominations Committee is responsible for the appointment of new members to the Board and is responsible for ensuring that the Board has a good skills balance and there is diversity of membership. A review of governance is being carried out this academic year.

Element 6 - Engagement

The governance processes and structures are clearly visible to staff, students, and alumni through the University's website and all are invited to engage with the governance of the University. The Board of Governors regularly engages with staff and students and is kept updated by the Vice-Chancellor, the University Secretary, and other members of the University Executive Committee of any significant issues that may arise. Procedures are in place to ensure that assurance can be given to the governing body about any partnerships into which the University may enter. As part of the strategic plan adopted by the Board of Governors, the pillars of Students, People, and Partnerships are all intended to achieve engagement with the University's stakeholders and partners.

Financial Risk Management

The University's operations expose it to a variety of financial risks that include the effects of price risk, credit risk, liquidity risk and cash flow risk. The University has in place a risk management programme that seeks to limit the adverse effects on financial performance by regular monitoring and management of risks. The Board has responsibility for managing financial risk and its policies are carried out by the University's Chief Financial Officer.

Price Risk

The majority of the University's revenue is derived from student tuition fees. The University's domestic tuition fees are charged at the £9,250 cap, which is in line with pricing across much of the University sector. The pricing cap is subject to ongoing changes in the regulatory and political environment, representing a key risk to the University.

Credit Risk

The University is exposed to credit risk primarily in the collection of student tuition fees. The University closely monitors the collection of student debt, and has rigorous debt collection policies and procedures in place.

Liquidity Risk

The University is financed with the appropriate long-term and short-term finance to match liquidity requirements, and it ensures that it has access to adequate cash reserves and/or lines of credit. The University's treasury policy is to maintain the majority of any surplus funds in short term deposits. These can be accessed at any time with an immaterial penalty deduction from interest earned.

Cash Flow Risk

The University collects the majority of cash inflows via several large receipts throughout the year. Cash outflows are broadly constant during the year. As a result, the University closely monitors cash flow with short and long-term cash flow forecasting, and keeps surplus cash or credit facilities on hand at all times to provide adequate headroom.

Post Balance Sheet Events

There were no significant Post Balance sheet events to be noted.

Directors' Report (continued): Year ended 31 July 2021

Existence of Overseas Branches

During 2014/15 the University incorporated a US subsidiary, "St Mary's University London US Foundation", a charitable not-for-profit organisation which is currently non-trading.

Equality, Diversity and Inclusion

St Mary's University is fully committed to creating an inclusive culture by promoting equality of opportunity and respecting differences amongst its staff, students and other stakeholders. Our core value of inclusiveness is at the heart of our approach to these objectives.

We are proud that our University is a richly diverse community, where we draw on the talents of all our staff and students to create a culture of mutual respect and recognition.

Our commitment and activity in relation to equality, diversity and inclusion (both in respect of staff and students) stems beyond legal compliance and more centrally derives from the benefits of an inclusive and welcoming place of work and study. There is much evidence that genuinely inclusive workplaces, underpinned by a welcoming and equitable ethos and values-based leadership, benefit hugely in terms of staff engagement, well-being and performance.

It is with that in mind that our People Strategy has clear Key Performance Indicators for equality, diversity and inclusion. This will help create a diverse and inclusive University community that enables creativity, imagination and innovation and is truly representative of our student population with the aspiration to be representative of London.

Engagement with Employees

People Strategy

Our first People Strategy was written and published in 2020 and is currently in the cycle for review. It is a key contributor to our continued growth and ambition and aims to lead the University to create a culture that inspires excellence by delivering innovative policies, support and initiatives that underpin the University's success, and benefit the communities in which we work.

The People Strategy has seven inter-connected themes with measurable key performance indicators:

- *Diversity and Inclusion*
Create a diverse and inclusive University community that enables creativity, imagination and innovation and truly represents our student population with the aspiration to be representative of London.
- *Talent Attraction and Retention*
Become an employer of choice where the best and the brightest want to be, and an employer which attracts diverse talent, particularly in under-represented parts of the University.
- *Leadership and Management*
Build confidence and capability in our leaders and managers to deliver innovative and creative solutions that promote our University's ambitions.
- *Engagement*
Create a working environment where staff are inspired to give their best every day and are motivated to be part of the University's success.
- *Performance, Development and Growth*
Create the capability needed for future success by motivating and engaging our people to take responsibility for their performance and development and adapt to continuous change.

Directors' Report (continued): Year ended 31 July 2021

Engagement with Employees (continued)

- *Rewarding and Recognising Excellence*
Reward and recognise excellent contributions which reflect our values and promote our success.
- *Wellbeing*
Place wellbeing at the heart of the employee life-cycle experience and encourage and inspire our people to look after their health and wellbeing, and that of others.

The strategy intends to develop University staff to be authentic, ambitious, imaginative and confident to be part of the University's plans for the future.

We are proud of the University's work in supporting and developing our inclusive community and have outlined below some highlights from the past academic year:

EDI Success over the past 12 months

Staff EDI Board

Due to the significant growth of the Staff EDI Group a more formal Staff EDI Board has been created, with clear governance, reporting into the University Executive Committee. Chaired by the Director of Human Resources the Board is tasked with the strategic management of the Staff EDI Programme of activity. It sets the Staff EDI agenda across the University, overseeing implementation and monitoring progress regularly. It also provides oversight of Charters Programmes, currently including the Advance HE Athena Swan and the Race Equality Charters and the Disability Confident scheme. It ensures that equality, diversity, and inclusion principles are fully embedded in the University, so that the University can be held as an exemplar organisation in terms of its EDI achievements. The EDI Staff Board is made up of staff from across the University, including the six EDI staff network leads. The EDI staff networks are essential to the operational delivery of the People Strategy and engaging staff in this work. The network leads work closely with the Students Union to ensure collaboration and promotion of activity to students and staff as relevant.

2021 UHR Awards for Excellence in HR

This year, St Mary's HR team was delighted to be named National Runner Up for the prestigious UHR Award in Equality, Diversity, and Inclusion. This award recognised the University's collective work to create an EDI movement and provide a framework via the People Strategy that enables the institution to fulfil its commitment to being inclusive and diverse.

Gender Pay

The University's fourth Gender Pay Gap report was published on the University's external website in line with legal requirements in the autumn. In summary, whilst we can be proud of our progress (particularly in reducing the mean pay gap), the report shows there have been mixed results despite the hard work undertaken to reduce the University's gender pay gap. Nevertheless, gender equality remains a significant part of our continued commitment to equality, diversity and inclusion and St Mary's will continue to deliver on the staff action plans, working in headline terms on three main areas of focus namely to ensure:

- fair and equitable attraction, recruitment and selection practices to attract the best talent and ensure a diverse staff base with a balanced gender mix;
- an inclusive and welcoming work environment, where staff can thrive and are enabled by supportive managers and progressive policies to develop their careers; and
- close monitoring of current issues of gender and intersectional inequalities at the University in line with the Athena SWAN Charter and Race Equality Charter to ensure the gender pay gap is addressed at a systemic, institution-wide level.

Directors' Report (continued): Year ended 31 July 2021

Ethnicity Pay

In line with many others in the sector, St Mary's has opted to publish its first Ethnicity Pay Gap report, utilising the same metrics as in the Gender Pay Gap report to analyse differences in pay by ethnicity at the University. The report has been published alongside the Gender Pay Gap data as a single report. This report is vital to understanding race inequality at St Mary's, and will serve as a key data source for our newly-formed Race Equality Charter self-assessment process. In summary, the findings of our first Ethnicity Pay Gap report demonstrate there is a gap in pay by ethnicity for staff at St Mary's. Building awareness and understanding of this data is a key first step in addressing (and working to close) our ethnicity pay gap.

Research Excellence Framework (REF) – Embedded in the University's approach to the REF2021 submission was the REF Code of Practice (CoP). The CoP sets out the University's approach to ensuring the fair and transparent identification of staff with significant responsibility for research, determining who is an independent researcher, and selecting outputs for the REF. All decision-making bodies adhered to the principles of this Code, ensuring equality, transparency, consistency and accountability. In addition, Faculties are completing the second year of Personal Research Plans to identify those with a Significant Research Responsibility (SRR). The group being identified as having SRR and submitted to REF2021 was assessed in the Equality Impact Assessment completed for consideration by the Research Office. It identified that in December 2018, male inclusion in the REF was 37% more males than females, but after the application of the CoP and at the time of submission, this reduced to 5.8% more males than females.

Athena SWAN – The Athena SWAN Small and Specialist Bronze Award is the HE sector's gender equality charter. Work is underway to apply for this award with the aim of submitting an application in November 2022. We have appointed a Chair to the Self-Assessment Team (SAT) and appointed an Equality Charters Programme Manager to help provide project management support for all equality charters efforts at the University. The Chair has been drawn from our academic staff, given that the work focuses on academic and research staff data such as recruitment, career progression, retention and student progression data. The Interim Provost represents the group as a sponsor at the senior leadership level and will be instrumental in driving forward the actions and projects which result from this work. The SAT has also been formed and comprises of staff from all areas and levels at the University and representatives from the SU and PGR student community.

The SAT is currently conducting research and analysis of University policies, practices and data to put together an application, identifying areas where gender equality can be improved.

Race Equality Charter – In January 2021, the University launched its efforts to apply for a Race Equality Charter (REC) Bronze Award, using the charter to interrogate and improve existing structures, policies, and practices that may prohibit St Mary's from achieving racial equality for our staff and students. As part of joining the Charter, the Vice-Chancellor has published a letter in which he has committed to five Guiding Principles which will underpin our efforts to improve our policies, practices, action plans, and culture.

The University has assembled a Self-Assessment Team (SAT) to lead our efforts to address racial inequality at St Mary's. The SAT formation process was informed and supported by our BAME & Allies Staff Network and BAME Student Network, who have been key collaborators in our REC process. The SAT is sponsored by the Interim Provost and co-chaired by our Head of Organisational Development and Chief Information Officer. The SAT membership is comprised of staff and students from across the institution, representing a wide range of experiences, skills, and knowledge that will be instrumental in driving systemic change for the University. In addition, the SAT comprises a majority of individuals from Black, Asian, and Minority Ethnic backgrounds, recognising that those with lived experience of racial inequality must be central in driving the University's REC efforts.

As with the Athena SWAN charter, the REC SAT will carry out research and analysis of University policies, practices and data to put together an application, identifying areas where racial equality can be improved. This analysis will also include a three-year action plan which will seek to improve the representation, progression, and success of staff and students from minority ethnic backgrounds at the University.

Directors' Report (continued): Year ended 31 July 2021

Ethnicity Pay (continued)

Disability Confident – In November 2020, St Mary's became Disability Confident Committed. This is the first level in a three-tier government scheme that supports employers in recruiting, retaining, and supporting staff members with disabilities. The University has assembled a small working group to lead on our Disability Confident work, comprised of representatives from HR, Employability, and Student Wellbeing. The group is consulting with our Staff Disability Network to ensure efforts are informed by lived experience and fit for purpose.

Kickstart - In 2021, St Mary's has employed ten young people through the government's Kickstart scheme on 6-month work placements in IT, marketing, and administration. This scheme provides employment opportunities to 16-24 year-olds on Universal Credit who are at risk of long-term unemployment. Alongside their work placement, individuals are developed through training and group assignments to develop their skills and increase long term employability. This scheme supports St Mary's in attracting diverse talent through widening access to employment opportunities for young people at risk of long-term unemployment.

Mental Health First Aiders - The St Mary's Mental Health First Aider Programme provides staff with access to informal support and signposting for any emotional or psychological stress they may be experiencing. The Mental Health First Aiders also support university awareness campaigns and signposting to resources to support staff. The programme takes an intersectional approach, recognising different communities have specific needs when accessing mental health and wellbeing resources, and ensuring this is reflected in mental health resources and toolkits developed by Mental Health First Aiders.

Women's Development & Leadership – The University continues to run two women's development programmes to enhance our work to bridge the institutional gender pay gap and support the University in its future proposed application for the Athena SWAN award. The Springboard programme was offered again in 2020 to all female employees, with 3 participants in the cohort from our Campus Services team (of the 15 total participants). The 2021 cohort has 14 participants.

The University has also sponsored another cohort of four women to participate in a women's leadership development programme, Aurora, run by the Leadership Foundation for Higher Education. This year, the Organisational Development (OD) team created a comprehensive personal development plan for Aurora participants and their line managers to be completed alongside the programme. The plan encourages Aurora participants to discuss their learning from the programme with their line managers and identify opportunities to put their learning into practice.

A Women's Leadership Forum has been developed and will be launched in September 2021, which is designed to support and empower female staff in leadership roles at the University, as well as the female staff who are identified as outstanding candidates for leadership positions in the coming years.

Cultural Awareness Training – As was outlined as a key strategic output in the People Strategy, the OD team has rolled out a programme of cultural awareness training to ensure all staff better support the growing number of international students and role model how to promote and celebrate diversity. A specialist organisation delivered this training to academic staff in December 2020 and professional services staff in January 2021. Feedback on the training was positive, with 70% of staff rating the event as 'excellent', 'very good' or 'good' overall.

Embedding EDI in Organisational Culture – in addition to the ongoing development opportunities outlined above, the OD & Equality Charters teams have launched several initiatives to embed EDI learning in St Mary's staff culture. Following a successful pilot, a Microlearning programme has been rolled out across the wider University that provides ten minutes of learning each week on a variety of EDI-related topics. Monthly Ted Talk sessions are being held for staff members to continue building their knowledge and engaging in conversations about diversity, equality, and inclusion, alongside a pilot EDI Summer Book Club which is being held over the summer months.

Directors' Report (continued): Year ended 31 July 2021

Staff and student involvement

The University seeks to involve both students and staff through a variety of different formal and informal routes.

- *Student Involvement:*

The University has continued to place the student voice at the heart of its decision making. In the past year, this has been demonstrated through inviting the Student Union elected officers to attend various management meetings including the most senior decision-making forums within the University. In addition, student representatives have been a core part of various working groups at an earlier stage, with a particular focus on bringing the EDI agenda for staff and students much closer.

- *Staff Involvement:*

The University's focus on enhancing the St Mary's community has continued with our staff and students working together on key events that are important to our community. Later this year the focus will be on further bringing together our networks to celebrate several key events, including Black History Month, Interfaith Week, LGBTQ+ History Week, International Women's Day, Disability Awareness Month, Carers Week and World Mental Health Day.

The Trade Union (Facility Time Publication Requirements) Regulations 2017 took effect from 1 April 2017. Under these Regulations, the University collects and publishes information about how much time and cost is attributable to trade union facility time regarding those employees who are trade union representatives. These disclosures relating to the year from 1 April 2020 to 31 March 2021 are included as an appendix to the Annual Report and Financial Statements.

Engagement with suppliers, customers and others

Our strategic approach to suppliers is to build strong mutually beneficial relationships. St Mary's University seeks to promote the application of these relationships to foster our commitment to achieving value for money while maintaining compliance with the Public Contracts Regulations 2015. The ability to promote supplier relationships effectively is an important factor in the decision to enter into or remain within, this alongside other standards are described in the Procurement Strategy, which is reviewed and approved periodically. St Mary's University is an active member of key national collaborative procurement consortiums, which carry out supplier workshops and conferences with the aim of enhancing customer/supplier relationships.

Greenhouse gas emission & energy consumption

The University is committed to reducing carbon emissions over time. We set out our second report on Green House Gases (GHG) for the period from 1 August 2020 to 31 July 2021 in accordance with the Companies and Limited Liability Partnerships (Energy and Carbon Report) Regulations.

The data for 2020/21 reflect the impact of the continued Coronavirus lockdown and remote working conditions for both staff and students, most notably the reduction in travel, procurement and utilities usage. We have adopted the widely accepted approach defined in the GHG Protocol Corporate Standard and our results are summarised below with further details presented in Appendix 2:

Scope 1 (Direct emissions) reflects GHG emissions from activities owned or controlled by the University such as vehicles and gas for heating on our premises. Fuel usage was calculated based on fuel purchases together with 'Conversion factors 2021' published by the Department for Environment, Food & Rural Affairs (DEFRA). Our total Scope 1 GHG s were 1,459,881 KgCO_e (PY: 1,324,544 KgCO_e)

Scope 2 (Energy indirect) includes GHG emissions, our electric vehicle and electricity purchased on Campus, the Exchange and other sites. Mileage used was converted into kWh based on the DEFRA 'Conversion factors 2021'; our total emissions were 620,403 KgCO_e (PY: 722,780 KgCO_e).

Directors' Report (continued): Year ended 31 July 2021

Greenhouse gas emission & energy consumption (continued)

Scope 3 (Other indirect) represents GHG emissions relating to business travel by students and staff, procurement, water and waste. We have applied the DEFRA 2017 and 2021 conversion factors to the data collected using surveys; this included mode of transport, distance travelled and types of travel expenditure. Our total Scope 3 emissions were 868,659 KgCO₂e (PY: 2,051,742 KgCO₂e).

The overall GHG emissions were 2,949 tCO₂e (PY: 4,099 tCO₂e). The GHG emission intensity ratio per Staff FTE is 4.84 tCO₂e based on a total of 609 staff FTE, whilst it is 0.64 tCO₂e per student FTE based on a total of 4693 student FTE in 2020/21.

We have embarked on a number of capital projects over the years to enable energy efficiency and reduce carbon emissions and we endeavour to continue our journey to reducing carbon emission over future years through detailed planning in our capital investment projects. We continue to focus on sustainability and have created a Sustainability Working Group to take forward the actions in our new sustainability strategy.

Identification of Information Excluded from the Directors' Report

The review of performance during the year and position at year end, principal risks and uncertainties, analysis of KPIs, and future developments in the business are presented in the Strategic Report, on pages 18-32.

Signed on behalf of the Board of Governors



Bishop Richard Moth

26 November 2021

Statement of Corporate Governance and Internal Control: Year ended 31 July 2021

The University presents its Statement of Corporate Governance and Internal Control covering the year 1 August 2020 to 31 July 2021 and up to the date of approval of the financial statements.

Corporate Governance and Internal Control

The conduct of the University's affairs is governed by the Articles of Association, incorporating the Instrument and Articles of Government, approved by the Privy Council.

The University has adopted the voluntary Higher Education Code of Governance published by the Committee of University Chairs published in 2020.

Internal Audit of governance

The Internal Audit review of governance has not been undertaken during the year. An internal audit was carried out in 2019/2020 and substantial assurance was given.

Articles of Association

The current Governing Articles of Association of the University were approved on 25 August 2016 by the Privy Council.

The Board of Governors

The Board of Governors is responsible for the University's long-term mission, objectives and strategies for providing overall financial and organisational control. Governors' endeavour at all times to conduct their business in accordance with the 'Nolan' Principles of Public Life.

The composition of the University's Board of Governors is set out in the Articles of Association. During the year ended 31 July 2021, the Board has consisted of not more than twenty-four members being:

- Ex officio: the Chair (nominee of the Archbishop of Westminster), the Director of the Catholic Education Service (or nominee) and the Vice-Chancellor.
- Up to six Governors carrying the nomination of the Catholic Education Service and six Governors carrying the nomination of the Archbishop of Westminster.
- Up to six co-opted Governors; and
- Two staff Governors and one Student Governor.

It is the Board's intention that it should not normally have more than 18 members.

Recommendations for appointment to the Board are made by the Nominations and Governance Committee. Governors are normally appointed for three years (renewable for up to nine years) while the student Governor (the President of the Students' Union) is appointed for one year.

The University Secretary maintains a register of financial and personal interests of the Governors and detailed records are available for inspection through the University Secretary.

All Governors are able to take independent professional advice in furtherance of their duties, and have access to the University Secretary who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the University Secretary are matters for the Board of Governors as a whole.

Transparency

In the interests of transparency and accountability a number of major documents relating to the governance of the University are published on the University website including: meeting minutes, the Articles of Association, the Board's Standing Orders, detailed information on the process for the appointment of Governors, a Scheme of Delegation, Terms of Reference, and the Board Handbook.

Statement of Corporate Governance and Internal Control (continued): Year ended 31 July 2021

Oversight of Corporate Governance, Risk Management and Statutory and Regulatory Responsibilities

The Audit Committee of the Board of Governors provides much of the oversight of the University's corporate governance and risk management. This is through reports to the Committee from the internal auditors, and from the University's risk management group from which a report is received at every meeting of the Audit Committee. The Board of Governors in turn has consideration of the minutes of the Audit Committee as a standing item. The Board also receives updates on matters relating to Corporate Governance from both the University Secretary and the Vice-Chancellor. In January 2020 the Board approved updated financial regulations for the University and in July 2020 it approved an amended Scheme of Delegation. The Board also approves on an annual basis the Terms of Reference of its Committees.

The Board and its Committees also ensure that the University complies with its statutory and regulatory responsibilities. The Academic Scrutiny Committee and the Academic Board together with the Board of Governors provide much of the oversight of compliance with OfS's ongoing conditions of registration. The Finance and Resources Committee oversees compliance with the University's statutory obligations in relation to health and safety and equality and diversity.

Ensuring regularity and propriety in the use of public funding

Consideration of the management accounts of the University are a standing item for both the Board of Governors and the Finance and Resources Committee. Oversight of the use of the public funding is also provided through the Academic Scrutiny Committee and the Academic Board both of which have responsibilities for the academic activities of the University. The Internal Auditors may also carry out audits of the University's processes for handling such monies with these reports being considered by the Audit Committee. The Finance and Resources Committee is responsible for approving the TRAC returns.

Committees

The Board of Governors conducts its business through several committees. The terms of reference for each committee are approved by the Board and subject to annual review and are also available to view on the University's website. During the year ended 31 July 2021 the Board's committees were as follows:

Audit Committee

The Audit Committee meets at least four times a year and consists of at least three non-staff Governors and up to two additional members with appropriate experience may be co-opted if appropriate. While senior executives may attend meetings of the Audit Committee, they are not members of it. Both the external and internal auditors have independent access to the Committee, and vice versa.

The Audit Committee is responsible for the consideration of internal and external audit recommendations, advising the Board on the appointment of internal and external auditors and monitoring adherence to regulatory requirements. In addition, the Committee reviews the University's annual financial statements together with the accounting policies. The Committee also receives reports on data quality, provides oversight of management implementation plans and considers reports from external bodies as they affect the University's business.

Finance and Resources Committee

The Finance and Resources Committee consists of up to five Governors (four non-staff Governors and the Vice-Chancellor) and it meets at least three times a year.

The Finance and Resources Committee recommends to the Board inter alia the University's annual revenue and capital budgets and monitors performance in relation to the approved budgets. It recommends and approves policies and procedures in relation to Human Resources matters. It advises on infrastructure matters including

Information Technology and Estates strategies and the monitoring of major corporate projects. It also has oversight of health and safety.

Academic Scrutiny Committee

The Academic Scrutiny Committee consists of five governors (three non-staff governors, a governor representing students, and the Vice-Chancellor).

Statement of Corporate Governance and Internal Control (continued):

Year ended 31 July 2021

Committees (continued)

The Academic Scrutiny Committee scrutinises and challenges the Academic Board and the Senior Management Team on the quality and enhancement of the academic experience and the student outcomes.

Remuneration Committee

The Remuneration Committee is comprised of up to five Governors. It determines the remuneration of senior staff including that of the Vice-Chancellor.

Nominations and Governance Committee

The Nominations Committee comprises the Chair, the Vice-Chair, the Chief Executive of the Catholic Education Service or nominee, the Vice-Chancellor and one other Governor. The Committee considers nominations for vacancies in the Board of Governor's membership under the Articles of Association, and undertakes its duties with reference to the national guidance and good practice. It also considers the chairing and membership of committees and the efficiency and effectiveness of governance.

Scope of Responsibility

The Board of Governors is ultimately responsible for the University's internal control system and for reviewing its effectiveness. The Board has delegated to the Vice-Chancellor the day to day responsibility for maintaining a sound system of internal control that supports the policies, aims and objectives of the University whilst safeguarding the public funds and assets, in accordance with the responsibilities set out in the Terms and Conditions of Funding between the University and Office for Students (OfS). The Vice-Chancellor is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

The Purpose of the System of Internal Control

The internal control system is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, evaluate the extent of those risks, and manage them efficiently, effectively and economically. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Risk and Control Framework

There is a formal ongoing process for identifying, evaluating and managing the significant risks facing the University and that the process and associated procedures have been in place and operational throughout the year, notably through the regular review and updating of the Strategic Risk Register. The Strategic Risk Register details strategic and recurrent risks and covers governance, management, quality of service, and reputational, operational, compliance as well as financial risks together with the range of mitigating controls in place and the early warning indicators for each risk. The Strategic Risk Register is under continuous review by senior managers and Governors and the Risk Management process itself is reviewed by internal audit on an annual basis. This process enables the University to ensure that it is able to monitor and manage risks in an ever-changing environment.

The key elements of the University's system of risk assessment and internal control, which is designed to discharge the responsibilities set out above, include the following:

- The University has a Risk Management Group chaired by the Chief Financial Officer with a membership consisting of senior managers. The group generally meets at least four times a year and reports to the Audit Committee;
- Risk assessment procedures are embedded in ongoing operations across the University. Heads of academic and administrative departments regularly contribute to the identification and mitigation of risks that are incorporated into the Strategic Risk Register;
- Heads of academic and administrative departments have clearly defined responsibilities for ongoing monitoring of the internal control environment, as well as identification and implementation of improvements;

Statement of Corporate Governance and Internal Control (continued):

Year ended 31 July 2021

The Risk and Control Framework (continued)

- A comprehensive short and medium-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- Regular reviews of academic performance and monthly reviews of financial results involving variance reporting and updates of forecast outturns;
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Board of Governors; and
- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Board of Governors.

The University also uses a professional Internal Audit team whose annual programme is approved by the Audit Committee. The University's Internal Audit service operates to standards defined in the Office for Students (OfS) Audit Code of Practice and is informed by the content of the University's Strategic Risk register. The internal auditors provide the Board of Governors with a report on internal audit activity within the University and an opinion on the adequacy and effectiveness of the University's internal control system and provide regular reports to the Audit Committee.

Based on the programme of work undertaken, the Annual Report of the Internal Auditors to the Board indicates an adequate and effective framework for risk management, governance, internal control and economy, efficiency and effectiveness, albeit with further enhancements identified to ensure that it remains adequate and effective.

The internal audit programme for 2020/21 did not identify any significant internal control weaknesses during the reviews undertaken during the year. However, the University will maintain its focus on addressing the issues raised by its internal auditors and is committed to a culture of continuous improvement in this area.

Review of effectiveness

On behalf of the Board of Governors, the Audit Committee has reviewed the effectiveness of the systems of internal control. During 2020/21 the University has:

- Continued to review and embed its risk management policy into the decision-making processes of the University;
- Reported to the Board, including providing an annual monitoring return on risk management; and
- Continued the strategy that the Internal Audit service adapts audit planning arrangements, methodology and approach to conform to the latest professional standards.

The Board receives periodic reports from the Audit Committee (including copies of the minutes of the Audit Committee meetings) and arrangements are in place to ensure regular reports from managers on their actions to manage the risks in their areas of responsibility. The Board's review of the effectiveness of the internal control system is informed by the work of the Internal Auditors, senior staff, and managers and by any comments made by the External Auditors in their management letter or other reports.

Strategic Report: Year ended 31 July 2021

The Governors present their Strategic Report on the University for the year ended 31 July 2021.

History and Incorporation Status

St Mary's University, Twickenham ("St Mary's" or "the University") was founded in 1850 by the Catholic Poor Schools Committee to meet the need for teachers to provide an education for the growing numbers of poor Catholic children. Since this time, it has diversified its portfolio of programmes but its original mission is still very much in evidence and about a third of our students are on either initial teacher training programmes or continuing professional development for serving teachers.

In 2006 the University was incorporated as a company limited by guarantee, company registration number 05977277 and registered as a charity on 23 July 2007, charity registration number 1120192. It commenced trading on 1 August 2007 following the transfer of the net assets and undertakings from the then registered charity, registration number 312935. At this time the legal objects of the University were clarified and these are still informed by its original foundation.

On 23 January 2014 St Mary's gained University title and the Privy Council approved the name of the institution to be "St Mary's University, Twickenham".

Mission and Purpose

We are an inclusive Catholic University seeking to develop the whole person and we empower our community to have a positive impact on the world.

Competitive and Regulatory Environment and Financial Context

St Mary's operates in a Higher Education environment which continues to be intensely competitive and dynamic, made even more so by the COVID-19 pandemic and domestic policy and regulatory changes. Large parts of 2021 were again characterised by online and remote delivery owing to pandemic restrictions, and a focus on supporting all students to achieve the best possible outcomes under these challenging circumstances.

The policy and regulatory environment surrounding Higher Education in the UK also continues to evolve. Over the course of the year the Office for Students has updated and introduced Conditions of Registration, reporting requirements and new performance metrics including the Proceed metric to which the University continues to respond. Proposed changes to Initial Teacher Training (ITT) provider accreditation may also have a significant impact on St Mary's operations.

Vision 2025

For the year ending 31 July 2021, the University was operating under the guidance of our previous longer-term strategic plan, *Vision 2025*. This is available at:

<https://www.stmarys.ac.uk/about/vision-2025/vision-2025.aspx>.

Vision 2025 was rooted in people and place. The plan proposed that, by 2025, students, staff, alumni and members of our wider circle would actively contribute to St Mary's unique identity. We would be widely known for our quality and our diverse, inclusive and enabling study and research environment. Everyone would be encouraged, empowered and supported to give, learn and belong to the St Mary's learning community.

Strategy

Vision 2025 set out our key strategic aims and objectives in the following areas:

- **Education:** We aim to build on established strengths by excelling in teaching and focussing on outcomes. We aim for all St Mary's students to be knowledgeable, confident, resilient and ambitious individuals, by offering exceptional student learning opportunities, enabling our students to make a positive impact in a complex and demanding world.

Strategic Report (Continued): Year ended 31 July 2021

Strategy (continued)

- **Student recruitment:** We aim to increase our student numbers each year to 2025, by providing new programmes, strengthening relations with schools and expanding internationally.
- **Engagement:** We aim to raise the profile of St Mary's at a national and global level, through focussed impact on public debate in our areas of strength and expertise. We will use the established global networks of which we are part to facilitate this. Our plan is to expand St Mary's existing partnerships in a measured and selective way.
- **International:** We aim to increase the number of international students studying at St Mary's so that by 2025 they make up 25% of the student population; increase the number of home students who undertake part of their course abroad and who have the opportunity to volunteer in less developed countries.
- **Research and enterprise:** We aim to secure Research Degree Awarding Powers (RDAP) and expand our doctoral programmes; to nurture carefully-selected areas of internationally leading/world-class research; and to establish new world-leading research centres to support our submission to the next Research Excellence Framework. We will need to attract the best talent to St Mary's from the fields of academia, public policy and industry to facilitate the achievement of these aims.

Vision 2030

In July 2021 the Board approved Vision 2030, an updated strategic direction for the University. This was intended to build on the previous strategic plan Vision 2025.

Vision 2030 is built around creating a transformational experience for our students as our staff support them to succeed. Our new strategic plan is focused around the key pillars of achieving students' success, developing our people, extending our impact through growth, expanding our reach through partnerships and enhancing our sense of place.

Our four core values define St Mary's and underpin all we do as a University. These values are unchanged and remain at the heart of Vision 2030:

- **Inclusiveness.** We celebrate differences and welcome diversity, recognising that everyone is born with a unique identity. St Mary's is a place where all students and staff can reach their full potential and make a positive contribution to society.
- **Generosity of Spirit.** Across the University there's a strong sense of encouragement, collegiality, empathy, helpfulness and service to others.
- **Respect.** We respect all and treat everyone as we ourselves would want to be treated.
- **Excellence.** We strive to be the best at everything we do. We set high standards and seek continuous improvement in all our practices and work.

Section 172 Statement

This statement is intended to set out how the Governing Body of the University has fulfilled its duty to promote the success of the University under Section 172 of the Companies Act 2006 and considered the interests of the University's stakeholders when making decisions.

Purpose of the University

The University's purpose is to be a Catholic Higher Education provider attracting students of all faiths and none. The Catholic ethos of the University inspires the development of an institution in which students want to study, employees want to work, and with which people and other institutions want to partner. The Governing Body is responsible for ensuring that this is done in a sustainable manner, underpinned by the values and ethos of the University.

The University's long-term success relies on increasing the number of students studying at the University both at undergraduate and postgraduate level, and recruiting them both domestically and internationally. In order

Strategic Report (Continued): Year ended 31 July 2021

Purpose of the University (continued)

to attract students, the University provides an offering of courses that: have the necessary academic rigour; meet the needs of the market; and that provide a stepping stone for students' career development either outside or within academia.

To underpin the University's long-term success there is a need for careful financial management, excellent relationships with employees and the members of the University, strong partnerships with third parties such as other institutions, and close working relationships with suppliers.

The Governing Body is responsible for ensuring that the University is successful in fulfilling its purpose and continues to go from strength to strength in the coming years.

University Stakeholders

The University has a variety of stakeholders. These are considered to be:

- The Students of the University
- The University's Employees
- The Catholic Church, including the Archdiocese of Westminster and the Catholic Education Service which have particular responsibilities within the University's governance arrangements
- Institutional Partners of the University
- Suppliers of Goods and Services to the University

Key Decisions During 2020/2021

Adoption of New Strategic Plan

Throughout the academic year 2020/2021, the University has been developing a new strategic plan to 2030. This was intended to build on the previous strategic plan Vision 2025. We want our students to be highly skilled, informed and civically engaged. Our students and staff are at the heart of everything we do. Our Vision for St Mary's University is built around creating a transformational experience for our students as our staff support them to succeed. We are an inclusive university, open to those of all faiths and none, and a local institution in a global city, serving a growing and richly diverse student community in locations both real and virtual. Vision 2030 sets out how we will do this, building on the successes of the past and setting our direction for the coming years.

The new strategic plan was adopted by the Board of Governors when it met in July 2021. The development of the strategic plan involved engagement with its stakeholders and in particular with its students and its employees.

The five pillars of the strategy - Student, People, Growth, Partnership, and Place - means that all of the University's stakeholders will be engaged during the lifetime of the strategic plan.

Coronavirus Response

The Coronavirus pandemic has continued to pose a financial and reputational threat to the Higher Education Sector. The Board of Governors has monitored the response of the University to the pandemic at an operational level to ensure that everything is done to ensure that students receive the best possible experience during their time at the University. The Board approves and supports the financial strategy out to 2025/26 which considers the potential impact of COVID-19 on the University's income and expenditure.

Strategic Report (Continued): Year ended 31 July 2021

Engagement with employees

Please refer to the section “Engagement with Employees” in the Director’s report on p.8.

Engagement with suppliers, customers and other

Please refer to the section “Engagement with suppliers, customers and others” in the Director’s report on p.12.

Development and performance in the year against key strategies

Education

Despite the challenges imposed by COVID-19 in terms of maintaining continuity of programme diversity, the University has succeeded in adapting quickly and effectively, such that St Mary’s latest NSS results indicate that we have outperformed our competitors in terms of student satisfaction. A combination of rapid deployment of blended and online pedagogies and e-tools, and an appropriate COVID-19 Mitigation Package supported by our students, ensured that students were able to engage successfully with their programmes and complete them successfully. Despite a challenging year (with COVID-19 impacting all programmes throughout the whole of 2020/21) our most recent data shows there have been some significant improvements in student retention when one compares 2019/20 and 2020/21, with more than a 5 per cent decrease in withdrawals from Year 1 Foundation degree programmes, and a 3 per cent decrease from Year 1 (Level 4) UG programmes – a metric which is likely to have a significant benefit to the University in the next iteration of the Teaching Excellence Framework (TEF).

In autumn 2020 St Mary’s showed strong recruitment across the University on all programmes despite COVID-19 and especially in our flagship programmes such as initial teacher education and postgraduate education programmes, allied health and business management programmes. During 2020-21, the Institute of Theology and Liberal Arts (IoTLA) launched the new BA (Hons) Liberal Arts programme (with a 2-year accelerated option), further embedded the Mater Ecclesiae College partnership with the second cohort on a dual-award STB-BA programme of study; and underwent the validation of a new collaborative provision partnership with Union Theological College (UTC) Belfast, a new MA in Applied Catholic Theology to be delivered at the Gillis Centre in Edinburgh, and a DMin (Doctorate in Ministry programme) due to be launched in September 2021. We also finalised the move of the Centre for Marian Studies (CMS) to St Mary’s, including CMS’s acclaimed Mariology library collection. Last year, the Institute of Business, Law and Society (IoBLS) launched postgraduate programmes in International Finance and Accounting, Finance and Management, Sports Management and added January intakes to existing postgraduate programmes. A promising MSc in Marketing, which will run from September 2021, has also been developed, significantly raising the Institute’s competitiveness in the market.

Student recruitment

2020-21 has been another year significantly impacted by the global coronavirus pandemic. We have needed to adapt to ever-changing guidance both domestically and in our key international recruitment markets. These changes have often happened at short notice, so we have had to be agile in our responses to mitigate their impact.

During the year, the Communications team supported several profile-raising activities and announcements. These included celebrating the tenth anniversary of the Papal visit; the conferral of Research Degree Awarding Powers; the new partnerships with the University of Notre Dame Australia and London Irish, the appointment of the Vice-Chancellor as Chair of GuildHE and to the Papal Quality Assurance Agency; the awarding of national honours to Lord Syed Kamal, Joe Wicks MBE, Gabby Pimentel BEM, and Nik Santos BEM; the Launch of Friends of St Mary’s; and the launch event of the official history of St Mary’s, written by Joanna Bogle. The team also supported Fr Vladimir Felzmann’s epic fundraising challenge of completing the equivalent of 82 half marathons on the University Athletics Track, securing several media appearances to help promote his aim of funding a new organ for the University Chapel.

Strategic Report (Continued): Year ended 31 July 2021

Student recruitment (continued)

St Mary's alumni also continued to make headlines nationally. Singer-Songwriter Tom Grennan reached the top of the charts with his new album *Evering Road*, the first Simmie to do so. In addition, Sir Mo Farah and Clara Amfo took part in popular reality TV Programmes during the autumn, *I'm A Celebrity Get Me Out of Here* and *Strictly Come Dancing*, respectively. During Tokyo 2020, St Mary's also continued its strong contributions to the Olympic and Paralympic Games, with 13 alumni, students, athletes, and friends of the University representing Team GB, Denmark, and Ireland.

Elsewhere, we have seen success in our marketing and profile-raising activities. We developed a new Annual Review document, a companion to the annual report, which shares the University's key achievements in a user-friendly format.

The team also launched two new student campaigns in 2020-21. 'Stay Safe at St Mary's', which informed students, applicants, staff, and stakeholders about the University's COVID-secure procedures; 'Shape St Mary's', which informed our student community about positive interventions the University had made through the previous year to improve their experience. Both campaigns proved successful, with strong NSS Scores, which saw St Mary's rank second in London for overall satisfaction and significantly outperform the sector for mental health support provided to students during the lockdown.

The team also supported the University graduation ceremonies, held on-site during July 2021. These were a brilliant celebration of our graduates' achievements and brought a sense of joy and community back to the campus for the first time since the start of the pandemic.

Student recruitment activities have been challenging during the autumn 2021 admissions cycle due to constraints on travel and face-to-face activities both at home and abroad. As a result, many of the usual Open Events, International recruitment fairs, and UCAS fairs were cancelled or conducted in a virtual environment.

When open days were permitted, we conducted these on-campus including hybrid online/on-campus open days and campus tours. We were unable to host our first traditional on campus open event until July 2021, which proved to be a great success and we are now planning for an entire cycle of on campus events for the year ahead.

Study abroad activity has also been significantly impacted by COVID-19, with both inbound and outbound numbers being affected by travel restrictions – particularly in the US market, where all partner universities advised against travel. However, looking ahead to next year, we are expecting inbound study abroad programmes to recover as travel restrictions are lifted. We are also delighted that the University received significant funding from the Turing Scheme, which will benefit our outbound students with their study abroad plans next year.

For significant parts of the year, we were also unable to visit or host schools in person. Where possible our schools and colleges team have held face to face activities, but most needed to take place virtually. Our team has been remarkably resourceful in the face of this adversity, creating innovative online solutions to keep school engagement activity going throughout the year.

For autumn 2021 admissions, overall student recruitment has fallen somewhat short of our original targets, albeit the University should be able to mitigate the financial gap. Early indications are that the sharp economic recovery in the employment market late in the recruitment cycle may have been a factor, as might the opening up of the gap year opportunities.

Our international recruitment figures are modestly below budget. However, overseas interest to study in the UK remains strong, so we are confident that once things are more settled following the COVID-19 pandemic, the international student recruitment market will rapidly return.

Strategic Report (Continued): Year ended 31 July 2021

Research

During 2020/21, St Mary's staff worked diligently on a successful award of Research Degree Awarding Powers ('RDAP') and a strong submission to REF 2021. Simultaneously, we launched our new Research Strategy and REF 2027 strategy, both approved by Academic Board in July 2021. After re-launching in 2020, the Bakhita Centre for Research on Slavery, Exploitation and Abuse has generated approximately £500,000 in research-related activities, and has received funding for two significant projects. IoTLA hosted various conferences and public events, including an international event to celebrate the work of St John of the Cross, a series of seminars on 'What is the Common Good?' under the auspices of the Benedict XVI Centre for Religion and Society, and a series of talks convened by the Centre for Bioethics and Emerging Technologies, which has editorial responsibility for The New Bioethics peer-reviewed journal.

Following extensive consultations with staff and students a new five-year Learning & Teaching Strategy was approved by Academic Board in July 2021, for implementation from 2021/22 onwards. The Strategy is built around four key strands:

- Improved programme design;
- An enhanced learning environment;
- Improved teaching approaches; and
- Digital transformation.

Alongside the Learning & Teaching Strategy, a new academic management structure is in place to ensure strong ongoing programme leadership. We are also creating coherent planning for diversifying provision in new contexts, such as the new postgraduate campus in Edinburgh.

Enterprise, Innovation and Development

2020-21 was an exceptionally challenging year and the COVID-19 pandemic had a significant impact on the activity undertaken and income generated by all the teams within Enterprise and Innovation. Some teams have been worse affected than others, with the Conferences team and The Exchange arts venue unable to operate for much of the year, though prospects are looking much improved for 2021-22.

The Development Office continued to bring in income to fund a variety of research, education and welfare projects across the University, with a particular emphasis on funding post-doctoral research within the Centre for Research into the Education of Marginalised Children and Young Adults and the outreach and research activities for the Centre for the Art of Dying Well. The Office continued its alumni relations programme with regular communications, and this year the Office has also set up the Friends of St Mary's, to build a network of supporters for the University.

The Enterprise team has supported a number of academic staff across the University with consultancy work, in particular in fields connected to sport and theology. The team also contributed to the development of the South London Knowledge Exchange Partnership, working with local authorities and other universities across the area to support business development, which will be particularly important in the aftermath of the pandemic.

Short Courses continued to offer a wide range of programmes, moving teaching online when required by lockdowns. We continue to see high demand for vocational programmes which support local employment, and we are exploring new areas where we can expand the range of subjects offered to support local recovery over the next year.

With restrictions throughout much of the year on the number of people who could meet together, academic and commercial conferences were cancelled and most external client bookings were not able to take place, either on the main campus or at The Exchange. For brief periods in the Autumn and late Spring, The Exchange was able to open to clients working with young people, and although staff in both Conferences and The Exchange

Strategic Report (Continued): Year ended 31 July 2021

Enterprise, Innovation and Development (continued)

have maintained contact with our regular clients and partners throughout, it may take time to rebuild our client base over the next year, as businesses and organisations start up again fully and start planning future activity.

Key Performance Indicators

The University uses a range of Key Performance Indicators (KPIs) in order to measure performance against the aims within Vision 2025. The KPIs cover the key metrics that are used externally to assess the performance of the University. These KPIs are used widely across the University to drive decision making and ensure that the University is making efficient use of resource.

Student Satisfaction

St Mary's again performed significantly better than the sector average in every category in the National Student Survey 2021, including for overall student satisfaction. The University achieved an *Overall Satisfaction* score of 81%, down 4.9 percentage points from 2020 but still well above the sector average of 74.7% (itself a drop of 8 percentage points from the previous year). The 2021 NSS results reflect the significant challenges of delivery during a pandemic and the robustness of the University's response to these challenges. We continue to work closely with elected student representatives and other student representatives to identify ways in which we can further improve the student experience for all.

Graduate Prospects

Our graduate level employment KPI has improved year-on-year and is at our target level, although challenges remain particularly in the current environment. The results of the second Graduate Outcomes Survey show that the University's graduates experience one of the lowest unemployment rates in the sector. In 2021 the OfS introduced "Proceed", a new metric comprised of existing measures on non-continuation and graduate outcomes which aims to demonstrate the likelihood of a starting cohort moving on to further study or professional employment upon graduation. St Mary's estimate of 60.3% of students to achieve this was above the benchmark set for the University and placed us third in our UCAS competitor group.

Good Honours

The proportion of students gaining good honours in 2020/21 grew to 82%, well exceeding our target, and reflecting the hard work of our academic staff and the effectiveness of initiatives lead by the Centre for Teaching Excellence and Student Success. The University also continues to work towards commitments in its Access and Participation Plan to closing the attainment gap for BAME students, and the latest data demonstrates improvements in this area.

Student Retention

The University continues to work hard towards progress against KPIs relating to student retention. Despite the challenges of the pandemic, thanks to the University's retention strategy and additional support provided to students during this period attrition rates are broadly in line with previous years. There is still room for improvement in some areas, however there has been significant improvement in the retention rate in others, in particular at Undergraduate level.

Research Degree Awarding Powers (RDAP)

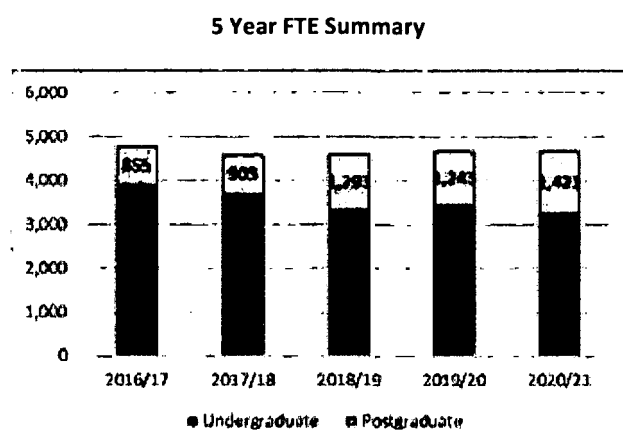
In 2018 St Mary's submitted its application to be granted Research Degree Awarding Powers (RDAP). Following the application, scrutiny and confirmation process - which was delayed by the change in Higher Education regulator as well as the pandemic - the Privy Council confirmed the award of RDAP on 1 April 2021.

Student Numbers

Total Full Time Equivalent (FTE) undergraduate and postgraduate student numbers for the year ended 31 July 2021 was 4,693 FTE, slightly higher than the previous year (2020: 4,690 FTE). The table below shows undergraduate and postgraduate FTE numbers over the past five years.

Strategic Report (Continued): Year ended 31 July 2021

Student Numbers (continued)



St Mary's has seen significant growth in overseas and Postgraduate Taught (PGT) student numbers over the past five years. The proportion of PGT students at the University is now ahead of target.

Financial performance in the year

2021	2020
Total income: £52,080k	Total income: £51,277k
Total expenditure: £52,545k	Total expenditure: £52,610k
EBITDA: £4,254k	EBITDA £3,152k
Deficit: (£462k)	Deficit (£1,429k)

The University's statutory net deficit for the year is £462k, an improvement of c. £1.0m compared with the prior year. The net deficit is also £1.6m better than the statutory net result budgeted, reflecting the fact that despite the Coronavirus pandemic, student recruitment was better than originally budgeted which combined with mitigating cost control enabled the University to absorb a decline in ancillary income against budget of c. £4m.

EBITDA ('Earnings Before Interest, Tax, Depreciation and Amortisation') for 2020/21 of £4.3m was a c. £1.7m improvement on the original budget which had been approved following the emergence of COVID-19 as all Universities were implementing plans to manage the disruption caused. This represents an operating margin of

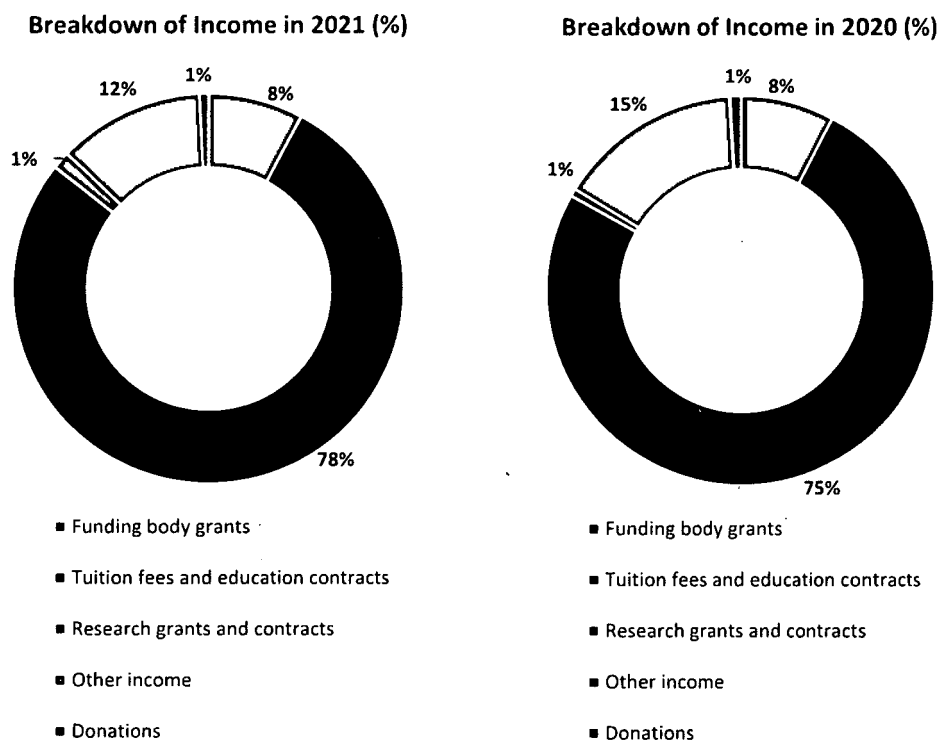
Strategic Report (Continued): Year ended 31 July 2021

Financial performance in the year (continued)

8.2% (2020: 6.1%) which is in line with the performance in 2019, the last full pre COVID-19 year. The £1.1m improvement in operating profits year on year reverses the decline reported in 2020.

This year statutory income has increased by £0.8m and overall costs have declined by £0.1m. This reflects the better than expected student recruitment and the benefit of c.£0.4m in grant income from the Government's Job Retention Scheme which helped to offset the ongoing impact of the Coronavirus pandemic on Residences, Catering and other income generating activities including Sports St Marys and Conferencing. The underlying cost reduction reflected our strong cost control, which was strengthened in the aftermath of the Coronavirus pandemic as reported last year.

Income



Total income for 2021 was £52.1m (2020: £51.3m), a £0.8m increase (2%) on the prior year.

Tuition fees increased by £2.0m (5.1%), largely reflecting an increase in the number of Full-time home students enrolled in year. As a teaching intensive University, 78% of our income was generated through tuition fees.

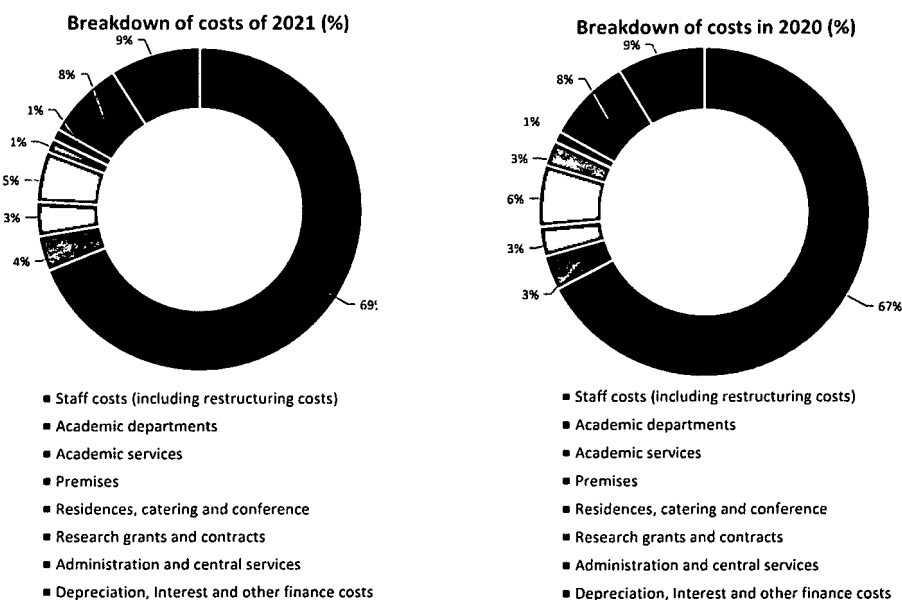
Other income decreased by (£1.5m) (c. 20%). The reduction in income reflected the continued impact of the Coronavirus pandemic in Residences, Catering and Sports St Marys where partial refunds were issued to students and customers in year. There were also shortfalls in other income generating activities, including Enterprise, Research projects within Faculties, Conferencing and Development.

Whilst we continue with our efforts to diversify income streams and increase the proportion of income from non-tuition fee sources, the impact of Campus closure and cancellation of many income generating activities in the Autumn and Spring months reduced the proportion of non-tuition fees received in this financial year.

Strategic Report (Continued): Year ended 31 July 2021

Financial performance in the year (continued)

Operating Expenditure



Expenditure in the year totalled £52.5m, a small decrease of £0.1m, (0.1%) from the prior year. This level of cost containment reflects the strengthened cost controls which were established in the wake of the Coronavirus, over both staff costs and non-staff expenditure.

Staff costs were £36.0m, some 69% of turnover (2020: £35.3m, 67%). As a result of the Coronavirus, certain staff cost controls introduced in the prior year were maintained to help off-set the expected fall in income. This included some overtime freezes and approval of any staff recruitment/replacement through the Headcount Controls Panel established in 2019/20. Our staff costs as a percentage of turnover, which has remained flat year on year, will not always be directly comparable to other higher education institutions due to the fact that the University operates almost all services in-house, whereas other universities commonly outsource significant elements of estates, security and catering operations, which appear as non-staff costs in their financial statements.

Also, as a result of the Coronavirus, strengthened controls over non-staff costs were maintained, with additional authorisations being required over non-staff expenditure even where such expenditure was originally budgeted. These measures along with the impact of campus closure and reduction in non-staff activities resulted in Non-staff other operating expenses decreasing by 8% from £12.7m to £11.7m.

Capital investment expenditure

Capital expenditure for the year was £3.2m (2020: 2.6m), and included £1.3m on the further development of the Student Record System which went live at the start of the year. A number of other infrastructure projects, begun during 2019/20, were completed during the course of 2020/21. These included continued investment in the growing Allied Health Programme and the refurbishment of E&F blocks on campus as well as investment in IT systems and infrastructure to enable the rapid deployment of blended and online pedagogies and e-tools to support students and employees.

Strategic Report (Continued): Year ended 31 July 2021

Financial performance in the year (continued)

Cash flow, financing and balance sheet

2021	2020
Net operating cash inflow:	Net operating cash inflow:
£6,043k	£3,790k
Cash and short-term deposits:	Cash and short-term deposits:
£15,566k	£10,891k
Cash days:	Cash days:
119	83
Net assets:	Net assets:
£94,501k	£89,773k

During the year the University generated net cash inflow from operating activities of £6.0m, an increase of £2.3m to that in 2019/20 (£3.8m inflow), reflecting the financial surplus after adjusting for non-cash items. Total cash and cash equivalents increased in the year by £4.7m to £15.6m (2020: £10.9m), reflecting the operating cash inflow together with the £4.0m loan from Barclays drawn down in August 2020 offset by the increase in Capital Expenditure.

The University's Cash Days' KPI has improved year-on-year to 119 days and is well in excess of our target level of 50 days. The University's liquidity position has become more robust over the course of the past year, both in terms of the increase in the level of cash reserves, the additional loan capital received at the start of the year and the continued £2m 'evergreen' overdraft facility and £3m revolving credit facility. The revolving credit facility has not been utilised to date; in large part its purpose remains to provide the University with additional 'headroom' in order to reduce our liquidity risk.

Total net assets increased to £94.5m (2020: £89.8m), primarily driven by the £5.2m below-the-line actuarial gain on pensions which was recorded in comprehensive income – this valuation is a non-cash item. Debtors have been well controlled during the year, which is reflected in the reduced provision made in the accounts for potential non-collections despite the ongoing Coronavirus pandemic. Despite the challenges faced by the higher education sector in general, our external borrowing remained relatively low but has increased from £2.25m to £5.4m, following loan repayments of £0.8m during the year and the receipt of £4.0m in the new precautionary medium-term loan highlighted previously. With strong cost controls in place, we have not utilised our overdraft or revolving credit facilities.

Taxation

The majority of the University's activities are not subject to corporation tax. The income generated from the core activities of the University, in relation to teaching and learning are exempt from corporation tax. Any profits made by the University's subsidiary company, Strawberry Hill Enterprises Limited, are paid to the University through the gift aid scheme, thereby maximising tax efficiencies available.

Strategic Report (Continued): Year ended 31 July 2021

Financial performance in the year (continued)

Reserves and Investment Policy

The Board is aware of the challenges the HE sector is facing in the post-Coronavirus environment and continues to be focused on the need for efficient management of resources and sound investment decision making to ensure continued financial sustainability.

The investment of funds is governed by the Treasury Management Policy. The Policy ensures that the majority of any surplus funds are deposited in holdings with a range of banks, the credit ratings of which are reviewed from time to time to ensure that the University's investments are secure.

Pensions

There was an actuarial gain on the defined benefit scheme of £5.2m (2020: loss £6.1m) arising from changes in actuarial assumptions. The University is currently making annual payments in order to reduce the deficit. The University does not participate in the Universities Superannuation Scheme ('USS').

Future Prospects

Changes in the external environment and St Mary's responses

In the short term, the University continues to respond to the COVID-19 pandemic and plans are in place for the coming academic year. Challenges associated with the pandemic remain, with some residual uncertainty about the levels of student recruitment (particularly international recruitment) and the extent to which individual student circumstances might have been affected moving into 2021/22. The University continues to work closely with the Local Authority and with other relevant stakeholders to ensure that it is well placed to respond to the emerging situation.

The external policy environment continues to evolve, and the 2021/22 academic year is expected to continue this trend. The Office for Students recently announced the removal of the London Weighting element of the Strategic Priorities Grant (previously the Teaching Grant) as well as cuts to funding for particular subject areas in the upcoming year. The government's official position on the recommendations outlined in the Augar review and the outcomes of a large number of consultations the OfS have run with the HE sector during 2020/21 are also yet to be seen, with potentially major implications for the sector's finances.

St Mary's is in a strong position to respond to these challenges with prudent financial planning, a refreshed course portfolio, and a continuing focus on activities, improvements and enhancements to improve student completion rates and reduce attrition. The University continues to explore opportunities to build on its strengths and the work done in response to the COVID-19 pandemic, undertaking refurbishment and upgrade works to the physical campus and in the digital sphere. The University has also been successful in bidding for Turing Scheme (the replacement for Erasmus+) funding for the 2021/22 academic year which will allow students to study and train internationally, strengthening our network of partnerships around the world.

The importance of widening access to University for students from non-traditional backgrounds continues to be high on the agenda for universities and policymakers alike. Although significant progress in this area has been made, there are many challenges for universities in securing access for students from disadvantaged backgrounds particularly in the context of the pandemic. Whilst St Mary's performs reasonably well on measures of participation, there is a need to address some of the challenges identified by the OfS in order to maximise student opportunity. Increasing emphasis is being placed not just on ensuring that students from disadvantaged groups can go to university but also ensuring that these students can achieve their full potential. The University's Access and Participation Plan sets out a series of ambitious targets concerning this. Good progress has been made but the University's plan is ambitious and we continue to strive to provide equality of opportunity for all our students.

Strategic Report (Continued): Year ended 31 July 2021

Future Prospects (continued)

The University continually reviews its portfolio of programmes to ensure that it meets student demand. Following the awarding of Research Degree Awarding Powers (RDAP) in April 2021 the University will expand its Doctoral and Postdoctoral programmes under the St Mary's banner across a number of specialisms in its portfolio, with the Doctor of Ministry and Doctor of Professional Studies in Strength and Conditioning, amongst others, commencing in the 2021/22 academic year. The University also continues to develop and grow its Allied Health offer with new Physiotherapy and Public Health programmes

The University has planned a series of investments in the coming year to support the activities outlined in this report. The University has recently implemented a new Student Record System, improving our ability to collect and access key data. Several enhancement and refurbishment projects have also been delivered on time and budget despite the pandemic, including the first phase of the Customer Service Hub in the main Library. The University continues to invest in improvements and enhancements to the student experience. In the coming year it will build on the momentum of the past year's work, including in lecture capture and other technologies. The Student Heart project will significantly enhance the work and study spaces at our Strawberry Hill campus, delivering facilities that match our ambitions for the future and maximising the impact of our stunning surroundings.

Consulting across the University, St Mary's is examining and refreshing the strategies which will enable the University to achieve the objectives set out in Vision 2025. We want to ensure, following on from the pandemic, that our Vision meets our community's needs in a dynamic, complex environment and which remains authentic to our ethos and strengths. Our refreshed Vision document, Vision 2030, steps the direction of the University in 2021/22 and beyond.

Future financial forecasts

The steps taken by the Board of Governors in response to the financial threat posed by the Coronavirus pandemic were critical in enabling the University to navigate the past year successfully. The budget approved for the next financial year ended 31 July 2022 is expected once again to result in a substantial operating surplus in terms of underlying Earnings Before Interest, Taxation, Depreciation and Amortisation ('EBITDA'). A modestly higher operating profit is expected in 2021/22 compared to the current year.

Student recruitment achieved in 2020/21 was better than had been anticipated in the context of the impact which the Coronavirus was originally expected to have. For 2021/22, student recruitment has fallen somewhat short of our original targets, albeit we should be able largely to off-set the impact with mitigating measures on the cost front. Separately, our cost to income ratio remains stubbornly high. Over the coming year we are looking to refine our business model as we set out to improve this position by developing greater economies of scale.

Over the next few years, we expect other income sources to recover from the impact measured in the past 18 months during the pandemic, in particular our catering, enterprise and conferencing revenues. A return to a positive growth trajectory for those areas most impacted during the ongoing pandemic will enable the University's income stream to show more diversification. We will also maintain our focus on business growth through developing new partnerships and by recruiting in new markets and demographics - both nationally and internationally. Strong cost control and effective resource management will continue to be important in the coming year, and we will also maintain a focus on procurement to drive value for money across our expenditure base.

To summarise, over the course of the five-year planning horizon we are forecasting a steadily improving trajectory of operating profitability, and we expect EBITDA as a percentage of Income to reach our 10% target over this period. As our operating profitability strengthens across the planning horizon, we should be able to unlock the necessary investment in staff, services and infrastructure to progress our strategic aims.

Strategic Report (Continued): Year ended 31 July 2021

Future Prospects (continued)

Financing, treasury and liquidity

We have continued to invest in our infrastructure to attract students and staff, we have invested in a number of renovation projects and new equipment during the year as well as continued investment in our student record system (SITS). Over the years to come we aim to invest further to support our medium-term growth plans, to create additional capacity for teaching and to improve our student accommodation facilities.

The University continues to enjoy very low level of external borrowings by the standards of the sector, and we have achieved a higher than expected cash balance at year end. Over the past 18 months, we have significantly bolstered our liquidity position. This continues to provide us with the strong financial platform from which to improve our student experience and the quality of educational outcomes. As the sector recovers from the effects of the Coronavirus pandemic, we look forward to welcoming back our students on campus. We can look forward from a position of strength as we continue to grow a sustainable future for the University.

Risk Management and Principal Risks and Uncertainties

The Risk Management Process

The Risk Management Process, based on the HEFCE Good Practice guidance, is overseen by the Audit Committee and includes a Risk Management Policy and a detailed Risk Register. Further information on the Risk Register can be found in the Statement of Corporate Governance and Internal Control on pages 14-17.

Principal Risks & Uncertainties

The University's Strategic Risk Register is aligned to the aims and objectives set out in Vision 2025. The most significant risk based on the level of residual risk after mitigating actions and controls is considered to be student recruitment; we are seeing continued changes in the recruitment market including the expansion of Russell Group institutions, changing clearing patterns, and sharp changes in the behaviour of the post-COVID lock down employment market. However, a number of other risks remain a high priority for monitoring and management, particularly related to student retention, the management of a growing number of academic partnerships, and the need to develop improved business models to promote the long-term prosperity of the institution in the context of an evolving external policy environment.

The COVID-19 pandemic has exacerbated a number of the risks already included on the risk register. The Risk Management Group continues to monitor the situation closely, escalating any areas of concern to University senior management.

The risk of failing to meet student retention targets remains in some areas, particularly in progression between Foundation Year to complete degree programmes. The impact of the pandemic on the student experience and mental health has also exacerbated the risk of attrition. The University continues to work to address the challenges of student retention with the measures and interventions put in place over recent years making inroads to improvement.

Changes to government policy continue to create an element of uncertainty for the University, particularly in relation to initial teacher education and the review of student funding. The University engages with sector bodies and representative organisations to ensure that it can be proactive in responding to these developments. Diversification of activities allows the University to manage this risk more effectively and to support the University's financial plans and, St Mary's will continue to address these risks to ensure a robust, proactive position in the future.

Strategic Report (Continued): Year ended 31 July 2021

Going Concern

The key factors impacting any organisation's ability to continue in operation for the foreseeable future are capital adequacy, operating profitability and adequate levels of liquidity.

Over the past 18 months the University has successfully negotiated up to £9m of additional credit facilities whilst still maintaining one of the lowest levels of gearing or leverage in the sector. These facilities include a £2m 'evergreen' overdraft facility and a £3m five-year term revolving credit facility, both undrawn at the present time. In August 2020 the University drew down its £4m medium term loan which had been taken out on normal commercial terms and for general corporate purposes in the context of the uncertainties associated with the Coronavirus epidemic.

The University's overall liquidity position of £17.1m, including its recent £1.5m current investment in a highly liquid ESG bond fund with low levels of market risk, is approximately four times the OfS' 30 days' liquidity mark and continues to provide a strong financial anchor as we continue to navigate the uncertainties brought about by the Coronavirus pandemic. If the University's un-drawn overdraft and revolving credit facilities are included, available liquid resources cover over 5 months of total expenditure.

In terms of operating profitability, we have continued to move in a positive direction with a 40% increase in our EBITDA to £4.5m this year which has taken the University to the cusp of delivering a net surplus. With an ongoing focus on improving our operating efficiencies and business models, the University is confident that it will be able further to improve its operating profitability over the next few years and generate the levels of cash flow required to unlock the greater levels of investment which will promote the University's long-term success in line with our strategic aims outlined on page 19.

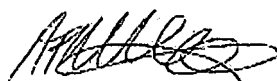
Our planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. We have undertaken various stress scenarios, simulating a range of adverse scenarios using reasonable assumptions. Considering the existence of the University's other lines of credit, the increased strength of the University's liquidity position is such that it should be able to navigate the foreseeable future even under the adverse scenarios which have been modelled. After reviewing the group's forecasts and projections for the period to 31 July 2023, we have a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future.

We believe that there are no material uncertainties that call into doubt our ability to continue in operation. Accordingly, our Board of Governors has assessed that it is appropriate to prepare the St Mary's financial statements on the going concern basis.

Signed on behalf of the Board of Governors on 26 November 2021.



.....
Bishop Richard Moth
Governor (Chairman)



.....
Anthony McClaran
Governor (Vice-Chancellor)

Statement of Responsibility of the Board of Governors of St Mary's University: Year ended 31 July 2021

The members of the Board, who are also the directors of the University for the purposes of company law are responsible for preparing the strategic report, the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the members of the Board to prepare financial statements for each financial year. Under that law the members of the Board have elected to prepare the group and University financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the members of the Board 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 surplus of income over expenditure of the group and University for that period.

In preparing these financial statements, the members of the Board 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the University will continue in operation.

The members of the Board are also required to give a report in the financial statements which includes the legal and administrative status of the University. The members of the Board are responsible for keeping adequate accounting records that are sufficient to show and explain the University's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, its Articles of Association, the Accounts Direction as issued by the Office for Students (OfS) and the Statement of Recommended Practice: Accounting for Further and Higher Education. They are also responsible for safeguarding the assets of the University and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members of the Board are responsible for ensuring that the funds from HEFCE/OfS, Research England and the Department for Education are used only in accordance with the Terms and Conditions of Funding with the OfS and any other conditions that the Funding Council/Regulator may prescribe from time to time. Members of the Board must ensure there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, members of the Board are responsible for securing economical, efficient and effective management of the University's resources and expenditure, so that the benefits that should be derived from the application of public funds by the Regulator are not put at risk.

Financial statements are published on the University's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the University's website is the responsibility of the members of the Board. The members of the Board's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Independent Auditors Report to the Members of St Mary's University: Year ended 31 July 2021

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2021 and of the Group's and the University's income and expenditure, gains and losses, changes in reserves and of the group's 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 Companies Act 2006.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) "ISAs (UK)" and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report and Financial Statement, other than the financial statements and our auditor's report thereon. The 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 Auditors Report to the Members of St Mary's University (continued): Year ended 31 July 2021

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information including the Directors Report, the Strategic Report, Statement of Corporate Governance and Internal Controls 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.

Other Companies Act 2006 reporting

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

- the information given in the Strategic report and the Directors report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the University and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors report.

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 board members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

In our opinion, in all material respects:

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

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

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

Responsibilities of the Board of Governors

As explained more fully in the Statement of Responsibility statement of the Board of Governors set out on page 33, the Board of Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Governors determine

Independent Auditors Report to the Members of St Mary's University (continued): Year ended 31 July 2021

Responsibilities of the Board of Governors (continued)

is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Governors are responsible for assessing the Group and 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 Group or the University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Based on our understanding of the Group and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations are related to their registration with the Office for Students ("OfS) and their ongoing conditions of registration, and we considered the extent to which non-compliance might have a material effect on the Group Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Companies Act, OfS Accounts Direction and tax legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board of Governors and other management and inspection of regulatory and legal correspondence if any.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, including direct representation from the Accountable Officer;
- Reviewing minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC, OfS and Research England to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- Reviewing items included in the fraud register as well as the results of any investigations into these matters;
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the actuarial assumptions used for the pension schemes in place and the useful economic lives and impairment of assets;
- In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain manual journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition; and

Independent Auditors Report to the Members of St Mary's University (continued): Year ended 31 July 2021

Auditor's responsibilities for the audit of the financial statements (continued)

- Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management, journals posted and journals posted after the year end.

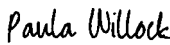
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by,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

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

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

Use of our report

This report is made solely to the 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 Board of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Board of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Paula Willock (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick
United Kingdom

Date: 10 December 2021

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

Consolidated and University Statement of Comprehensive Income:

Year ended 31 July 2021

Company Registration number: 05977277

	Notes	Consolidated		University	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
Income					
Funding body grants	1	4,080	4,012	4,080	4,012
Tuition fees and education contracts	2	40,551	38,585	40,551	38,585
Research grants and contracts	3	769	341	769	341
Other income	4	6,271	7,818	6,077	7,161
Investment income	5	7	35	6	33
Donations	6	402	486	402	486
Total Income		52,080	51,277	51,885	50,618
Expenditure					
Staff costs	8	35,972	35,333	35,806	35,128
Restructuring costs	8	183	58	174	58
Other operating expenses	9	11,664	12,699	11,450	12,273
Depreciation	12	4,306	4,158	4,283	4,127
Interest and other finance costs	11	420	362	420	362
Total Expenditure		52,545	52,610	52,133	51,948
Deficit before other gains/(losses)		(465)	(1,333)	(248)	(1,330)
Gains/(losses) on disposal of fixed assets	12	3	(96)	0	(96)
Deficit before tax		(462)	(1,429)	(247)	(1,425)
Taxation		-	-	-	-
Deficit for the year		(462)	(1,429)	(247)	(1,425)
Actuarial gain in respect of pension schemes	21	5,190	(6,148)	5,190	(6,148)
Total comprehensive income/(expenditure) for the year		4,728	(7,577)	4,943	(7,573)
Represented by:					
Restricted comprehensive income /(expenditure)		(76)	(11)	(76)	(11)
Unrestricted comprehensive income /(expenditure)		6,604	(4,787)	6,813	(4,789)
Revaluation reserve comprehensive (expenditure)		(1,800)	(2,779)	(1,794)	(2,773)
		4,728	(7,577)	4,943	(7,573)

All activities are continuing.

The statement of Accounting Policies and notes on pages 42 to 64 form part of these financial statements.

Consolidated and University Statement of Change in Reserves:

Year ended 31 July 2021

Company Registration number: 05977277

	Notes	Income and expenditure account - Restricted	Income and expenditure account - Unrestricted	Revaluation Reserve	Total
		£'000	£'000	£'000	£'000
Consolidated					
Balance at 1 August 2019		190	24,858	72,302	97,350
Surplus/(Deficit) from the statement of comprehensive income		481	(1,910)	-	(1,429)
Actuarial (loss) in respect of pension schemes	21	-	(6,148)	-	(6,148)
Release of restricted funds spent in year		(492)	492	-	-
Transfers between revaluation and income and expenditure reserve		-	2,779	(2,779)	-
Total comprehensive (expenditure) for the year		(11)	(4,787)	(2,779)	(7,577)
Balance at 1 August 2020		179	20,071	69,523	89,773
Surplus/(Deficit) from the statement of comprehensive income		396	(858)	-	(462)
Actuarial profit in respect of pension schemes	21	-	5,190	-	5,190
Release of restricted funds spent in year		(472)	472	-	-
Transfers between revaluation and income and expenditure reserve		-	1,800	(1,800)	-
Total comprehensive income/(expenditure) for the year		(76)	6,604	(1,800)	4,728
Balance at 31 July 2021		103	26,675	67,723	94,501
University					
Balance at 1 August 2019		191	24,248	72,146	96,585
Surplus/(Deficit) from the statement of comprehensive income		481	(1,906)	-	(1,425)
Actuarial (loss) in respect of pension schemes	21	-	(6,148)	-	(6,148)
Release of restricted funds spent in year		(492)	492	-	-
Transfers between revaluation and income and expenditure reserve		-	2,773	(2,773)	-
Total comprehensive (expenditure) for the year		(11)	(4,789)	(2,773)	(7,573)
Balance at 1 August 2020		180	19,459	69,373	89,012
Surplus/(Deficit) from the statement of comprehensive income		396	(643)	-	(247)
Actuarial profit in respect of pension schemes	21	-	5,190	-	5,190
Release of restricted funds spent in year		(472)	472	-	-
Transfers between revaluation and income and expenditure reserve		-	1,794	(1,794)	-
Total comprehensive income/(expenditure) for the year		(76)	6,813	(1,794)	4,943
Balance at 31 July 2021		104	26,272	67,579	93,955

The statement of Accounting Policies and notes on page 42 to 64 form part of these financial statements.

Consolidated and University Balance Sheet: Year ended 31 July 2021

Company Registration number: 05977277

	Notes	Consolidated		University	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
Non-current assets					
Fixed Assets	12	106,240	108,181	105,702	107,620
Heritage Assets	12	455	455	455	455
Intangible Assets	14	3,849	3,011	3,849	3,011
		110,544	111,647	110,006	111,086
Current assets					
Stock		24	23	14	13
Trade and other receivables	16	2,097	2,296	11,806	2,278
Investment	22	1,500	-	1,500	-
Cash and cash equivalents	22	15,566	10,891	5,781	10,658
		19,187	13,210	19,101	12,949
Less creditors: amounts falling due within one year	17	(10,451)	(8,373)	(10,373)	(8,312)
Net current assets		8,736	4,837	8,728	4,637
Total assets less current liabilities		119,280	116,484	118,734	115,723
Creditors: amounts falling due after more than one year	17	(9,459)	(7,215)	(9,459)	(7,215)
Provisions and liabilities					
Pension Provision	21	(14,420)	(18,579)	(14,420)	(18,579)
Other Provisions	18	(900)	(917)	(900)	(917)
		(15,320)	(19,496)	(15,320)	(19,496)
Total net assets		94,501	89,773	93,955	89,012
Restricted reserves					
Restricted Reserve		103	179	104	180
Unrestricted reserves					
Income and expenditure account reserve		26,675	20,071	26,272	19,459
Revaluation reserves		67,723	69,523	67,579	69,373
Total Reserves		94,501	89,773	93,955	89,012

The statement of Accounting Policies and notes on pages 42 to 64 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Governors on 26 November 2021 and were signed on its behalf by:



Bishop Richard Moth
Governor (Chairman)



Anthony McClaran
Governor (Vice-Chancellor)

Consolidated Statement of Cash Flows: Year ended 31 July 2021

Company Registration number: 05977277

	Notes	Consolidated	
		2021 £'000	2020 £'000
Cash flow from operating activities			
Deficit for the year		(462)	(1,429)
Adjustment for non-cash items			
Depreciation		3,744	3,922
Amortisation		562	236
Decrease in stock		(1)	17
Decrease in debtors		199	113
Increase in creditors		1,345	999
(Decrease) in provisions		(17)	(112)
Pension costs less contributions payable		1,031	486
Capital grants released to income		(520)	(623)
(Profit)/Loss on disposal of fixed assets		(3)	96
Adjustment for investing or financing activities			
Interest payable		172	119
Interest receivable		(7)	(35)
Net cash inflow from operating activities		6,043	3,790
Cash flows from investing activities			
Payments made to acquire fixed assets and intangible assets		(3,203)	(2,617)
Proceeds from disposal of Fixed Assets		3	1,062
Government capital grants received		321	227
Investment in Bond Fund		(1,500)	-
Interest income		7	35
		(4,372)	(1,294)
Cash flows from financing activities			
Interest paid		(172)	(119)
New loan borrowed		4,000	-
Repayments of amounts borrowed		(825)	(225)
		3,003	(344)
Increase in cash and cash equivalents in the year		4,674	2,152
Cash and cash equivalents at beginning of the year		10,891	8,739
Cash and cash equivalents at end of the year		15,566	10,891

The statement of Accounting Policies and notes on pages 42 to 64 form part of these financial statements.

Statement of Accounting Policies: Year ended 31 July 2021

Legal Structure

St Mary's University, Twickenham is a private company limited by guarantee incorporated and registered in England and Wales under number 05977277. Copies of financial statements are available at its registered office Waldegrave Road, Strawberry Hill, Twickenham, TW1 4SX.

A. Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019) and in accordance with FRS 102.

St Mary's University, Twickenham is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable accounting standards.

B. Going concern

As a result of the global Coronavirus pandemic, the United Kingdom maintained social restrictions for much of the past year and entered a further lockdown in November 2020 following the first lockdown on 23 March 2020. This had a significant impact on the University during the year to 31 July 2021, primarily as a result of accommodation refunds, losses of ancillary revenues (for example catering), and a decline in commercial revenues such as conferences. The University was able to substantially off-set these impacts through a combination of headcount controls (such as post freezes and overtime freezes), the judicious use of the furlough scheme, and through significant cuts in non-staff costs. As a result of these mitigating measures, the University's reported net deficit for the year ending 31 July 2021 was £1.6m better than the original budget which was set in the context of the evolving Covid-19 pandemic.

However, the Coronavirus pandemic has also affected the University's financial performance during the year ending 31 July 2021 and the budget for 2021/22. For 2020/21, the University originally expected a protracted reduction in ancillary and commercial revenues, as well as a reduction in student recruitment (especially from international markets) compared to pre-Coronavirus forecasts. For this reason, the Board of Governors reviewed an extensive set of scenario analyses which modelled the potential impact of the coronavirus pandemic on the University's profitability and liquidity over the five-year planning horizon. As a result of this work, in July 2020 the Board approved a revised financial strategy under which the University should be able to continue in operation for the foreseeable future, even under the adverse scenarios which were modelled, and under which the University would achieve its medium-term financial targets under base case assumptions. The key pillars of the new strategy were to execute reductions in operating costs, and to bolster liquid resources by negotiating a new medium-term loan facility. These strategies were successful, with the University reporting a result for 2020/21 significantly ahead of budget and relatively close to break-even, and closing the year with very healthy levels of cash reserves and un-drawn facilities.

The key factors impacting any organisation's ability to continue in operation for the foreseeable future are capital adequacy, operating profitability and adequate levels of liquidity.

Over the past 18 months the University has successfully negotiated up to £9m of additional credit facilities whilst still maintaining one of the lowest levels of gearing or leverage in the sector. These facilities include a £2m 'evergreen' overdraft facility and a £3m five-year term revolving credit facility, both undrawn at the present time. In August 2020 the University drew down its £4m medium term loan which had been taken out on normal commercial terms and for general corporate purposes in the context of the uncertainties associated with the Coronavirus epidemic.

The University's overall liquidity position of £17.1m, including its recent £1.5m current investment in a highly liquid ESG bond fund with low levels of market risk, is approximately four times the OfS' 30 days' liquidity mark and continues to provide a strong financial anchor as we continue to navigate the uncertainties brought about by the Coronavirus pandemic. If the University's un-drawn overdraft and revolving credit facilities are included, available liquid resources cover over 5 months of total expenditure.

In terms of operating profitability, we have continued to move in a positive direction with a 40% increase in our EBITDA to £4.3m this year which has taken the University to the cusp of delivering a net surplus. With an ongoing

Statement of Accounting Policies (continued): Year ended 31 July 2021

B. Going concern (continued)

focus on improving our operating efficiencies and business models, the University is confident that it will be able further to improve its operating profitability over the next few years and generate the levels of cash flow required to unlock the greater levels of investment which will promote the University's long-term success in line with our strategic aims outlined on page 19.

Our planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. We have undertaken various stress scenarios, simulating a range of adverse scenarios using reasonable assumptions. Considering the existence of the University's other lines of credit, the increased strength of the University's liquidity position is such that it should be able to navigate the foreseeable future even under the adverse scenarios which have been modelled as part of the financial planning undertaken in the wake of the Coronavirus pandemic.

Significant financial risks relating to the Coronavirus risk remain, including the risk of higher student attrition, reduced ancillary and commercial revenues, and of unexpected costs and/or loss of revenue from potential future social distancing measures. However, after reviewing the group's forecasts and projections for the period to 31 July 2023, we have a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future. The Board of Governors has concluded that it remains appropriate to prepare the financial statements on a going concern basis, and that there are no material uncertainties relating to the University's ability to continue in operational existence for the foreseeable future.

C. Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- no cash flow statement has been presented for the parent company; and
- no disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

D. Basis of consolidation

The consolidated financial statements include St Mary's University, Twickenham (St Mary's) and its subsidiary (the "Group") for the financial year ended 31 July 2021.

In the University's financial statements, the investment in the subsidiary is accounted for at cost less impairment.

The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions.

E. Income recognition

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

Government grants including funding body block grants and Government research grants are recognised within the Statement of Comprehensive Income over the periods in which the Group recognises the related costs for which the grant is intended to compensate. Where part of a Government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Capital grants relating to expenditure on tangible fixed assets are recognised in income over the expected useful life of the asset.

Statement of Accounting Policies (continued): Year ended 31 July 2021

E. Income recognition (continued)

Grants and donations from non-government sources, including research grants from non-government sources, are recognised within the Statement of Comprehensive Income when the Group is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is deferred on the Balance Sheet and released to the Statement of Comprehensive Income in line with such conditions being met.

Investment Income is derived from deposits held in short term money market products managed on behalf of the University by an external fund manager, Royal London Asset Management Limited and is recorded as income in the period in which it arises.

Donations with no restrictions are recorded within the Statement of Comprehensive Income when the Group is entitled to the income. Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts.

F. Accounting for retirement benefits

The three principal pension schemes for the Group's staff are the Teachers' Pension Scheme (TPS), the Wandsworth Council Pension Fund, and the Friends Life Scheme.

- TPS is a multi-employer scheme for which it is not possible to identify the assets and liabilities attributable to the Group due to the mutual nature of the scheme. The scheme is underwritten by Central Government and the Group has no further obligation to make contributions to the scheme. Therefore, this scheme is accounted for as a defined contribution retirement benefit scheme.
- Wandsworth Council Pension Fund is a defined benefit scheme with funds held in separate trustee administered funds. The scheme is valued every three years by professionally qualified independent actuaries.
- The Friends Life Scheme is a defined contribution scheme.

Contributions to the Group's defined contribution pension schemes are recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

The Group has recognised a liability for its obligations under the Wandsworth Council Pension Fund, net of plan assets. The net defined benefit liability is measured as the difference between the fair value of the assets held in the Group's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method and is recognised on the Group's Balance Sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the Group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

G. 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 Group. Any unused benefits are accrued and measured as the additional amount the Group expects to pay as a result of the unused entitlement.

H. 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.

I. Foreign currency

Items included in the financial statements of the University and its subsidiary are measured using the currency of the primary economic environment in which the entity operates being the 'functional currency'. The consolidated financial statements are presented in 'sterling', which is the functional and presentation currency of the University and its subsidiary.

Transactions in foreign currencies are translated to the respective functional currencies at the foreign exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet

Statement of Accounting Policies (continued): Year ended 31 July 2021

I. Foreign currency (continued)

date are retranslated to the functional currency at the foreign exchange rate at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

J. Tangible fixed assets

Tangible fixed assets are stated at historical cost, or deemed cost, less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group took advantage of the option afforded under FRS 102 and elected to measure land, buildings and site infrastructure at deemed cost, being the fair value at the date of transition to FRS 102.

The costs in relation to fixed assets after initial purchase or construction are capitalised to the extent that they provide incremental future benefits to the Group. The carrying amount of a replaced part is derecognised. Repairs and maintenance are charged to income during the period in which they are incurred.

The Group does not capitalise fixed assets with an initial cost of under £1,000 as these are not considered material.

K. Intangible assets

Intangible assets are amortised using the straight-line method over the remaining estimated economic life of the assets. They are subject to periodic impairment reviews as appropriate. The estimated useful life of these assets is normally four years.

L. Depreciation

Freehold land is not depreciated as it is considered to have an indefinite useful life. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Freehold buildings	50 years
Site infrastructure	10 years
Furniture, fittings, equipment and vehicles	5 years
Computers	4 years

Where parts of a fixed asset have different useful lives, they are depreciated as separate components. Freehold buildings have been split into: sub-structure, roof, other structure, fit-out and fittings, mechanical, electrical and heaters/boilers.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

No depreciation is charged on assets in the course of construction.

M. Heritage assets

Heritage assets are initially recognised at cost, and subsequently stated at their revalued amount. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from fair value. Revaluation gains or losses are taken to the revaluation reserve. Heritage assets are not depreciated as their long economic life and high residual value mean that any depreciation would not be material.

Statement of Accounting Policies (continued): Year ended 31 July 2021

I. Impairment of assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit, CGU, to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

J. Borrowing costs

Borrowing costs are recognised as an expense in the Statement of Comprehensive Income in the period to which they relate.

K. Stock

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is measured using the weighted average cost formula.

L. Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

M. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand, short term deposits which have a maturing date of less than three months and overdrafts.

N. Debt instruments

Debt instruments which are basic financial instruments are initially recorded at transaction price. Subsequently, they are measured at amortised cost using the effective interest method.

O. Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income.

Debtors on payment plans which are not expected to be received within one year and which are financed at a rate of interest that is not a market rate are considered to be financing transactions. These are measured at the present value of the future payments discounted at a market rate of interest for a similar arrangement.

P. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

A contingent liability arises from a past event that gives the Group 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 Group. 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 Group 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 Group. Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

Statement of Accounting Policies (continued): Year ended 31 July 2021

P. Taxation

The University is considered to satisfy the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 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 of the Corporation Tax Act 2011 or Section 256 of the Taxation Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. Subsidiary companies are liable to corporation tax.

The University is partially exempt in respect of Value Added Tax (VAT), so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Q. Reserves

Reserves are allocated between unrestricted and, if applicable, restricted reserves whereby the donor has designated a specific purpose and therefore the University is restricted in its use of these funds.

R. Agency Arrangements

The Group acts as an agent when collecting funds on behalf of students, for instance funds collected for scholarships or support funding. Funds collected on behalf of students are not recognised in the Statement of Income but are recognised on the Balance Sheet. The Group retains and recognises in revenue a commission for administering scholarship funding to students. Funds on behalf of students are shown in note 26.

S. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the Group either as a lessor or a lessee are operating or lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Group's assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

In preparing these financial statements, the directors have identified the following sources of estimation uncertainty:

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as product life cycles and maintenance programmes are taken into account.
- The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation such as standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense. Further details are given in note 21.
- Strawberry Hill Trust liability. The University has an obligation to make annual payments to Strawberry Hill Trust for the ongoing maintenance of Strawberry Hill House until 31 July 2025. The future payments are discounted at a rate of 5.0% (2020: 5.0%), based on the interest rate of University's Santander loan which is approximated as the average cost of capital of the University. This obligation will vary should Strawberry Hill Trust receive funding exceeding £80k per annum or should the University's weighted average cost of capital change. Further details are given in note 18.

Notes to the Financial Statements: Year ended 31 July 2021

1 Funding body grants				
	Consolidated		University	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Recurrent Grant				
Office for Students (OfS)	1,972	2,295	1,972	2,295
Research England	648	570	648	570
Specific Grants				
Special initiatives - OfS/Research England	940	524	940	524
Deferred capital grants released in year				
Buildings	520	623	520	623
	4,080	4,012	4,080	4,012
2 Tuition fees and education contracts				
	Consolidated		University	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Full time home and EU students	33,481	31,530	33,481	31,530
Full time international students	3,541	3,465	3,541	3,465
Part time students	2,957	2,995	2,957	2,995
Non credit bearing course fees	572	595	572	595
	40,551	38,585	40,551	38,585
3 Research grants and contracts				
	Consolidated		University	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Research councils, charities, government and industry	769	341	769	341
	769	341	769	341
4 Other income				
	Consolidated		University	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Residences, catering and conferences	4,730	5,494	4,549	4,894
Other services rendered	266	414	266	397
Job Retention Scheme grant	396	590	383	579
Other income	879	1,320	879	1,291
	6,271	7,818	6,077	7,161

Notes to the Financial Statements (continued): Year ended 31 July 2021

5 Investment income

	Consolidated		University	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank interest	7	35	6	33
	7	35	6	33

6 Donations

	Consolidated		University	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Donations with restrictions	396	481	396	481
Unrestricted donations	6	5	6	5
	402	486	402	486

7 Grant and fee income

The source of grant income and fee income, included in notes 1 to 4 above is as follows:

	Consolidated		University	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Grant income from the OfS	1,878	1,646	1,878	1,646
Grant income from other bodies	2,479	2,025	2,466	2,014
Fee income for research awards (exclusive of VAT)	463	315	463	315
Fee income from non-qualifying courses (exclusive of VAT)	572	595	572	595
Fee income for taught awards (exclusive of VAT)	39,516	37,675	39,516	37,675
	44,908	42,256	44,895	42,245

Grant income from the OfS excludes £725,000 (2020: £863,000) Access Participation student premium funding allocated to support successful student outcomes and Disabled students' premium. Grant income from other bodies includes £396,000 (2020: £590,000) received through the Job Retention Scheme.

(a) Staff costs	Consolidated		University	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Salaries	28,208	28,109	28,067	27,932
Social security costs	2,821	2,791	2,809	2,778
Other pension costs	4,943	4,433	4,930	4,418
Redundancy and severance costs	183	58	174	58
	36,155	35,391	35,980	35,186

Included in other pension costs are £1,204,213 (2020: £1,058,816) in respect of the defined benefit schemes and £3,580,396 (2020: £3,386,329) in respect of the defined contribution schemes.

Notes to the Financial Statements (continued): Year ended 31 July 2021

8 Staff (continued)

(b) Emoluments of the Vice-Chancellor	Consolidated	A McClaran	D Hartnett	F Campbell	
	2021 £'000	2020 £'000	2020 £'000	2020 £'000	2020 £'000
Basic salary	187	57	56	100	213
Pension contributions	-	-	-	22	22
Taxable benefits	-	-	-	-	-
Relocation expenses	-	18	-	-	18
Medical insurance	6	2	-	2	4
Other taxable benefits	47	13	-	-	13
Non-taxable benefits, Relocation expenses	-	8	-	-	8
	240	98	56	124	278

Remuneration for Senior Leadership roles within the University, including that of the Vice-Chancellor, is determined by the Remuneration Committee. This Committee is led by the Vice-Chair to the Board of Governors; the Vice-Chancellor is not a member of the Committee. To assist the Committee with their decision making the Committee take in to account guidance from the Committee of University Chairs, analysis of senior leadership pay within the University and external benchmarking including the UCEA Senior Staff Remuneration Survey.

Employers National Insurance in respect of Vice-Chancellor amounted to £31k (2020: £30k) The Vice-Chancellor received £47k (2020: £13k) additional pension compensatory allowance.

St Mary's Vice-Chancellor salary as a multiple of median staff pay for 2020/21 was 5.2 (2019/20: 5.1) compared with a sector average in 2019/20 of 7.0 (2018/19: 7.0). Remuneration of the Vice-Chancellor as a multiple of median staff total remuneration was 5.3 (2019/20: 5.4). Vice-Chancellor salary was 4% lower than comparable Vice-Chancellor pay in relevant benchmarking groups from the UCEA senior remuneration survey data.

In July 2020 Mr Anthony McClaran announced that he would take a voluntary pay cut of 20% in support of a range of measures undertaken by the University in response to the challenges faced during the Covid-19 pandemic. This took effect between September and December 2020.

(c) Basic salary of other higher paid staff excluding employers national insurance and pension contributions:	Consolidated	
	2021 Number	2020 Number
£100,000-£104,999	-	1
£105,000-£109,999	2	1
£110,000-£114,999	1	1
£115,000-£119,999	2	2
£120,000-£124,999	2	1
£125,000-£129,999	-	1
£130,000-£134,999	-	1
£185,000-£189,999	1	-
	8	8

Emoluments to the Vice-Chancellor is included in the above table for 2020/21 and is disclosed in note 8(b) for both years.

Notes to the Financial Statements (continued): Year ended 31 July 2021

8 Staff (continued)

(d) Key management personnel:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University and Group. Staff costs includes compensation paid to key management personnel. The senior officers set out on page 1 are all included in Key management personnel.

Key management personnel were paid total compensation for the year ended 31 July 2021 of £816,000 (2020: £1,090,000).

(e) Emoluments of the Governors:

The total emoluments of all Governors in the year amounted to £362,000 (2020: £436,000) which includes pension contributions of £20,000 (2020: £52,000). These emoluments are in respect of the Vice-Chancellor and staff Governors in their capacity as members of staff. No other Governors received remuneration. One Governor accrued retirement benefits under a defined benefit scheme. The employer pension contributions to this scheme amounted to £12,000 (2020: £34,000). No other payments were made or benefits transferred to Governors with respect to long term incentive schemes. Travel expenses reimbursed to Governors during the year amounted to £nil. (2020 £nil).

(f) Average weekly number of persons (including senior post-holders) employed by the University during the year, expressed as full-time equivalents:	Total full-time equivalents	
	2021	2020
	Number	Number
Academic schools and research	249	274
Academic support services	109	77
Estates, catering and conferences	107	118
Central services	144	141
	609	610

In 2020/21 36 FTE roles previously included in Academic schools and research have been included in Academic support services.

(g) Severance payments

During the year the University undertook minor restructuring which resulted in £183k in compensation for loss of office being paid to 21 employees (2020: £58k to 9 employees).

(h) Access and Participation - staff expenditure

	Consolidated	
	2021	2020
	£'000	£'000
Access Investment	293	231
Financial Support	-	-
Disability Support (excluding expenditure included in the two categories above)	274	283
Research and Evaluation	-	-
	568	514

Notes to the Financial Statements (continued): Year ended 31 July 2021

9 Analysis of other operating expenditure by activity

	Consolidated		University	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Academic departments	1,842	1,785	1,842	1,785
Academic services	1,800	1,541	1,800	1,541
Premises	2,652	3,170	2,652	3,170
Residences, catering and conference	718	1,284	660	1,049
Research grants and contracts	589	559	589	559
Administration and central services	4,063	4,359	3,906	4,169
	11,664	12,699	11,450	12,273
Other operating expenses include:				
Auditors' remuneration				
External audit - remuneration with respect to audit services	58	50	50	42
External audit - Tax compliance	3	12	-	12
External audit - Tax advice	13	30	13	30
External audit - Other compliance	8	8	8	8
Internal audit	62	79	62	79
Operating lease rentals - property	460	745	745	745
Operating lease rentals - other	50	48	48	48

10 Access and Participation expenditure

	Consolidated	
	2021 £'000	2020 £'000
Access Investment	344	301
Financial Support	990	782
Disability Support	306	316
Research and Evaluation	27	12
	1,667	1,411

£568k of these costs are already included in the overall staff costs figures included in the financial statements, see note 8.

The University's published Access and Participation Plan is available at:

<https://www.officeforstudents.org.uk/advice-and-guidance/the-register/search-for-access-and-participation-plans/#/AccessPlans/accessplans/10007843>

11 Interest and other finance costs

	Consolidated		University	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bank loans	172	119	172	119
Net charge on pension finance interest (Note 21)	248	243	248	243
	420	362	420	362

Notes to the Financial Statements (continued): Year ended 31 July 2021

12 Tangible fixed assets

	Freehold Land	Buildings	Site Infrastructure	Heritage Assets	Furniture equipment and vehicles	Assets under construction	Total
Consolidated	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
At 1 August 2020	39,219	80,762	4,583	455	10,034	391	135,444
Additions	-	-	-	-	-	1,803	1,803
Transfers to completed	-	1,236	-	-	318	(1,554)	-
Disposals	-	-	-	-	(604)	-	(604)
At 31 July 2021	39,219	81,998	4,583	455	9,748	640	136,643
Cost	6,793	36,766	874	455	9,748	640	55,276
Valuation	32,426	45,232	3,709	-	-	-	81,367
	39,219	81,998	4,583	455	9,748	640	136,643
Depreciation							
At 1 August 2020	-	16,661	1,368	-	8,779	-	26,808
Charge in year	-	2,981	229	-	534	-	3,744
Disposals	-	-	-	-	(604)	-	(604)
At 31 July 2021	-	19,642	1,597	-	8,709	-	29,948
Net book values							
At 31 July 2021	39,219	62,356	2,986	455	1,039	640	106,695
At 31 July 2020	39,219	64,101	3,215	455	1,255	391	108,636

	Freehold Land	Buildings	Site Infrastructure	Heritage Assets	Furniture equipment and vehicles	Assets under construction	Total
University	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
At 1 August 2020	39,219	80,077	4,583	455	9,760	391	134,485
Additions	-	-	-	-	-	1,802	1,802
Transfers to completed	-	1,236	-	-	318	(1,554)	-
Disposals	-	-	-	-	(588)	-	(588)
At 31 July 2021	39,219	81,313	4,583	455	9,490	639	135,699
Cost	6,793	36,266	874	455	9,490	639	54,517
Valuation	32,426	45,047	3,709	-	-	-	81,182
	39,219	81,313	4,583	455	9,490	639	135,699
Depreciation							
at 1 August 2020	-	16,534	1,368	-	8,507	-	26,409
Charge in year	-	2,960	229	-	532	-	3,721
Disposals	-	-	-	-	(588)	-	(588)
At 31 July 2021	-	19,494	1,597	-	8,451	-	29,542
Net book values							
At 31 July 2021	39,219	61,819	2,986	455	1,039	639	106,157
At 31 July 2020	39,219	63,543	3,215	455	1,253	391	108,075

Buildings, Land and Site Infrastructure underwent a one-time revaluation to fair value upon transition to FRS 102. The fair value has been adopted as 'deemed cost'.

Notes to the Financial Statements (continued): Year ended 31 July 2021

13 Heritage Assets

The Group holds a collection of artwork, furniture and other heritage assets. There have been no additions, disposals, or impairment of such assets in the current or previous periods; the Group's policy is to maintain its current holdings of heritage assets with no future acquisitions or disposals anticipated. The Group will carry out restoration and maintenance as required on an ad hoc basis.

The Group commissioned a valuation of heritage assets as at 31 July 2014 at fair value, with the revaluation gain taken through the revaluation reserve; the valuation was undertaken by independent valuer Hector Paterson & Co Ltd. The Governors do not consider there to have been any material changes in the valuation of the heritage assets.

14 Intangible Assets

Consolidated and University

	Software £'000	Total £'000
Cost or Valuation		
At 1 August 2020	3,816	3,816
Additions	1,400	1,400
At 31 July 2021	5,216	5,216
Amortisation		
At 1 August 2020	805	805
Charge in year	562	562
At 31 July 2021	1,367	1,367
Net book values		
At 31 July 2021	3,849	3,849
At 31 July 2020	3,011	3,011

The principal component within Intangible Assets is the University's new student record system (SITS) which is replacing the existing student records system (QL) and has a total approved investment budget of £3.8m. All spend to date has been classified at year end as an intangible asset (software). The carrying value of the SITS system is at the year end was £3.5m. (2020: £2.5m). The project went live in August 2020 as planned. Intangible assets are amortised using the straight-line method over the remaining estimated economic life of the assets.

15 Investments

Subsidiaries

The University holds all the issued share capital of Strawberry Hill Enterprises Limited, a company registered in England and Wales, the principal activity of which is the organisation of functions and conferences. The profits of the company are transferred to the University through a Gift Aid arrangement. The University's interest in the company at 31 July 2021 was 2 ordinary shares, at a cost of £2 (2020: £2).

Land and buildings include properties owned by St Mary's College Residences plc in the sum of £8,817k (2020: £8,817k) which have been included within the University's financial statements.

During 2014/15 the University incorporated a US subsidiary, "St Mary's University London US Foundation", which is currently non-trading. The US subsidiary is wholly owned by the University.

Associates

The University entered into an agreement with Geoptic Limited in May 2020 with 166 issued shares (16.6% of shareholding). Geoptic Ltd is a spinout company from the University of Sheffield, the University of Durham and St Mary's University incorporated in May 2020, whose primary purpose is to provide cosmic ray imaging services to the civil engineering sector using specialist techniques. The company issued its first annual report for the period ended 30 November 2020 in August 2021. There has been no significant activity to date.

Notes to the Financial Statements (continued): Year ended 31 July 2021

16 Trade and other receivables

	Consolidated		University	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Tuition fees and payment plans	528	522	536	513
Other debtors	744	760	735	752
Prepayments and accrued income	825	1,014	824	1,013
Amounts due from subsidiary company	-	-	9,711	-
	2,097	2,296	11,806	2,278

Other debtors includes amounts owing from the Student Union.

17 Creditors

Amounts falling due within one year

	Consolidated		University	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade creditors	664	1,133	656	1,112
Social security and other taxes	806	939	801	912
Other creditors	2,542	1,823	2,503	1,759
Accruals and deferred income	4,925	3,696	4,899	3,657
Deferred capital grants - current	489	557	489	557
Amounts owing to subsidiary company	-	-	-	90
Bank loans - current	1,025	225	1,025	225
	10,451	8,373	10,373	8,312

Amounts falling due after one year:

	Consolidated		University	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank loans - non current	4,400	2,025	4,400	2,025
Deferred capital grants - non current	5,059	5,190	5,059	5,190
	9,459	7,215	9,459	7,215

All bank loans are unsecured and are repayable as follows:

	Consolidated		University	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
In one year or less	1,025	225	1,025	225
Between one and two years	1,025	225	1,025	225
Between two and five years	2,475	675	2,475	675
In five years or more	900	1,125	900	1,125
Total greater than one year	4,400	2,025	4,400	2,025
Total	5,425	2,250	5,425	2,250

Notes to the Financial Statements (continued): Year ended 31 July 2021

17 Creditors (continued)

Bank debt consists of the following loans:

A £4,500,000 loan from Santander for the building of the new Sports Block Building. The loan, which was taken out in July 2010, is repayable at a fixed rate of 4.95% over 20 years. At 31 July 2021, the amount outstanding was £2,025,000 (2020: £2,250,000).

A £4,000,000 unsecured loan from Barclays for general corporate purposes in the context of the uncertainties presented by the COVID-19 pandemic. The loan, which was taken out in August 2021, is repayable over 5 years at a floating rate. At 31 July 2021, the amount outstanding was £3,400,000 (2020: £nil).

The Santander loan is unsecured but the Bank has the capacity to secure the loan on the main University site or other assets of the University in the event that certain financial criteria are not met.

The loans are subject to certain banking covenants. Regular financial reporting procedures are in place to monitor compliance. The interest charged on the loans is expensed in the period to which it relates.

18 Provisions for liabilities and charges

Consolidated and University

	Pension Enhancement Provision £'000	Section 106 Planning Permission £'000	c/f bal
Balance at 1 August 2020	236	42	278
Utilised in the year	-	-	-
Balance at 31 July 2021	236	42	278

Consolidated and University

	Lease Liability £'000	Dilapidation Provision £'000	Total Provisions £'000
Balance at 1 August 2020	336	303	917
Charged in the year	17	96	113
Utilised in the year	(80)	(50)	(130)
released in the year	-	-	-
Balance at 31 July 2021	273	349	900

Pension Enhancement Provision

The Group pays enhanced pension entitlements to staff who have taken early retirement under a reorganisation programme which ended in 1989/90. The assumptions for calculating the pension enhancement provision are as follows:

Discount rate 1.0%

Inflation 1.1%

In addition to the enhanced pensions which are being provided above, the University also provides enhanced pension contributions to a further 13 former employees. OfS is providing the Group with additional funds each year to meet these contributions. The costs of these payments have been recognised as a liability in the financial statements of OfS indicating OfS's expectation that they will be meeting these costs in future. They have not been recognised as a liability in the Group's balance sheet. Were OfS's position to change, the estimated cost to the Group of meeting these pension payments would be £259,388 as at 31 July 2021 (2020: £367,288).

Notes to the Financial Statements (continued): Year ended 31 July 2021

18 Provision for liabilities and charges (continued)

Section 106 Planning Provision

Provision relating to liability incurred when constructing Sports Block. Provision is an estimate of the cost to contribute towards Waldegrave Road works for traffic management purposes.

Strawberry Hill Trust Lease Liability

This represents the discounted value of future payments due to Strawberry Hill Trust.

The University has an obligation to make annual payments to Strawberry Hill Trust for the ongoing maintenance of Strawberry Hill House. The payments are discounted using a discount rate of 5.0% (2020: 5.0%).

Dilapidation provision

The dilapidation provision relates to the estimated cost of restoring leased properties to their contractually agreed condition at the end of the lease term.

19 Financial Instruments

The Group's and Company's financial instruments may be analysed as follows:

	Group 2021 £'000	Group 2020 £'000
Financial Assets		
Financial Assets measured at amortised cost	1,500	-
Financial Assets measured at amortised cost comprise of Investments in Bond Funds.		
Financial liabilities		
Financial liabilities measured at amortised cost	5,425	2,250

Financial liabilities measured at amortised cost comprise of bank loans.

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the Directors' report.

20 Reserves

The University is Limited by Guarantee and as such does not have share capital or shareholders.

Income and expenditure account (unrestricted)

This reserve contains unrestricted equity which can be utilised to further the university objectives. As the University is not for profit, this reserve cannot be distributed by way of dividend.

Income and expenditure account (restricted)

Restricted Reserves relate to donations made with conditions attached requiring the funds to be used for specific purposes.

Revaluation Reserve

This reserve is used to record increases in the fair value of land and buildings and decreases to the extent that such decreases relate to an increase on the same asset.

Notes to the Financial Statements (continued): Year ended 31 July 2021

21 Pensions

The three principal pension schemes for the University's staff:

- Teachers' Pension Scheme (TPS) for academic staff;
- Aviva (formally Friends Life Scheme) for non-academic staff; and
- Wandsworth Council Pension Fund (WCPF) for non-academic staff.

Teachers' Pension Scheme

TPS is a multi-employer defined benefit scheme for which it is not possible to identify the assets and liabilities relating to the University due to the mutual nature of the scheme. As the TPS is underwritten by central government and the University has no future obligation to make contributions to the scheme, this is effectively a defined contribution scheme in so far as it affects the University. As a result, contributions to this scheme are accounted for as if the scheme was a defined contribution scheme. The employers' contribution rates for the University's academic staff increased to 23.68% from 1 September 2019 (2019: 16.48%) of pensionable salaries for the year ended 31 July 2021, resulting in salary expense £2,599,000 (2020: £2,567,000). The last valuation of the TPS revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £218.1 billion. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £196.1 billion. The deficit is underwritten by the government, the University has no further obligation to fund the deficit and no liability has been recognised.

Aviva Scheme

Aviva scheme, formally Friends Life Scheme is a defined contribution scheme. The default employers' contribution rates for the University's support staff increased from 4% to 6% from April 2019, with the maximum employers' contribution rate remaining at 12% of pensionable salaries for the year ended 31 July 2021, resulting in salary expense of £820,000 (2020: £818,000).

Wandsworth Council Pension Fund

The London Borough of Richmond upon Thames pension fund, merged with the Wandsworth council Pension Fund on 1 October 2016. The University as an admitted body of the London Borough of Richmond upon Thames Pension Fund became an admitted body of the Wandsworth Council Pension Fund as of that date. It is a funded defined benefit scheme, with the assets held in separate trustee administered funds.

The latest comprehensive actuarial valuation of the Fund was performed on 31 March 2019 by a qualified independent actuary. The following adjustments have been made to measure the defined benefit obligation at reporting date:

The total contribution made for the year ended 31 July 2021 was £725,000 (2020: £840,000) of which employer's contributions totalled £586,000 (2020: £693,000) and employee's contributions totalled £139,000 (2020: £147,000).

Currently, support staff contributions range from 5.5% to 12% of salary and are determined on a monthly basis by reference to earnings bandings. The University currently contributes 20.9% of staff salary. The employer contributions expected to be paid into the scheme during the year ended 31 July 2022 is £650,000.

The principal assumptions used by the actuary were:

	2021	2020
	%	%
Price increases		
CPI	2.80	2.25
Salary increases	3.15	3.05
Pension increases	2.80	2.25
Discount rate	1.60	1.35

Notes to the Financial Statements (continued): Year ended 31 July 2021

21 Pensions (continued)

The post retirement mortality tables adopted are the S3PA tables with a multiplier of 110% for males and 105% for females. These base tables are then projected using the CMI 2020 Model, allowing for a long-term rate of improvement of 1.25% per annum. The assumed life expectations from age 65 are:

	Males	Females
Retiring today	21.6 years	24.3 years
Retiring in 20 years	22.9 years	25.7 years

The University's share of total plan assets at fair value were:

	2021 £'000	Proportion %	2020 £'000	Proportion %
Equities	24,169	61	19,756	60
Gilts	825	2	778	2
Bonds	5,309	14	4,712	14
Property	3,808	10	2,898	9
Cash	1,513	4	1,677	5
Multi-asset fund	3,690	9	3,058	9
Total market value of assets	39,314		32,879	

	2021 £'000	2020 £'000
Analysis of the amount shown in the balance sheet		
Total market value of assets	39,314	32,879
Present value of scheme liabilities	(53,734)	(51,458)
Net pension liability as at 31 July	(14,420)	(18,579)

	2021 £'000	2019 £'000
Analysis of the amount charged to staff costs income and expenditure		
Employer service cost	1,357	921
Total operating costs	1,357	921

	2021 £'000	2020 £'000
Analysis of the amount that is credited to other finance income in the income and expenditure account		
Net interest on pension liabilities	248	243
Net interest on pension liabilities	248	243

The total return on fund assets for the year was £6,589,000 (2020: (£387,000)).

	2021 £'000	2020 £'000
Re-measurement of the net assets/(defined liability)		
Return on fund assets in excess of interest	6,146	(1,098)
Other actuarial losses on assets	-	(619)
Change in financial assumptions	(2,571)	(6,769)
Change in demographic assumptions	659	1,426
Experience gain on defined benefit obligation	956	912
Re-measurement of defined liability	5,190	(6,148)

Notes to the Financial Statements (continued): Year ended 31 July 2021

21 Pensions (continued)

Reconciliation of defined benefit obligation	2021 £'000	2020 £'000
Opening present value of defined benefit obligation	51,458	45,749
Movement in the year		
Current service cost	1,040	921
Interest cost	691	954
Actuarial (gains)/losses	2,571	6,769
Change in demographic assumptions	(659)	(1,426)
Experience loss/(gain) on defined benefit obligation	(956)	(912)
Estimated benefits paid	(867)	(744)
Past service costs, including curtailments	317	-
Contributions by members	139	147
Closing present value of the defined benefit obligation	53,734	51,458

Reconciliation of fair value of plan assets	2021 £'000	2020 £'000
Opening fair value of employer assets	32,879	33,804
Movement in the year		
Interest on assets	443	711
Return on assets less interest	6,146	(1,098)
Administration expenses	(12)	(15)
Contributions by members	139	147
Other actuarial losses	-	(619)
Contributions by employer	586	693
Estimated benefits paid	(867)	(744)
Closing fair value of employer assets	39,314	32,879

22 Cash and cash equivalents

	Consolidated		University	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Cash at bank and in hand	763	583	760	351
Short term deposits	14,803	10,308	5,021	10,307
Total Cash and cash equivalents	15,566	10,891	5,781	10,658

Notes to the Financial Statements (continued): Year ended 31 July 2021

22 Cash and cash equivalents (continued)

Analysis of net debt

	At 31 July 2020 £'000	Cash flows £'000	Other non cash changes £'000	At 31 July 2021 £'000
Cash and cash equivalents				
Cash	583	180	-	763
Cash equivalents	10,308	4,495	-	14,803
	10,891	4,675	-	15,566
Investments				
Investments	-	1,500	-	1,500
	-	1,500	-	1,500
Borrowings				
Debt due within one year	(225)	825	(1,625)	(1,025)
Debt due after one year	(2,025)	-	(2,375)	(4,400)
	(2,250)	825	(4,000)	(5,425)
Total	8,641	7,000	(4,000)	11,641

23 Operating lease commitments

The group and the company had minimum lease payments under non-cancellable operating leases as set out below:

	Consolidated and University	
	2021	2020
	£'000	£'000
Annual commitments under operating leases were as follows:		
Commitments which expire within 1 year	552	606
Later than 1 year and not later than 5 years	2,018	2,068
Later than 5 years	503	1,005
Total commitments at 31 July	3,073	3,679

The lease commitments disclosed above cover the entire term of property leases, and take no account of break clauses which would significantly reduce the commitments disclosed. In September 2020 the University exercised a break clause on Regal house which had commitments of £36,000 at 31 July 2020.

24 Capital commitments

No provision has been made for the following capital commitments at 31 July 2021.

	Consolidated		University	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Commitments contracted	2,123	1,939	2,123	1,939
Authorised but not contracted	2,127	1,261	2,127	1,261
Total commitments at 31 July	4,250	3,200	4,250	3,200

Notes to the Financial Statements (continued): Year ended 31 July 2021

25 Contingent Liabilities

The University has an obligation to repay a £475,000 grant received from Sports England for the construction of the Sports Block if the Sports Block is ever sold.

26 Agency Arrangements

This includes amounts collected and disbursed on behalf of the Department for Education

	Consolidated and University	
	2021 £'000	2020 £'000
Balance receivable at 1 August	277	342
Funding council grants	(4,444)	(3,412)
Clawbacks	154	-
Disbursed to students	4,076	3,347
Balance receivable at 31 July	63	277

27 Related party transactions

Grants were paid to St Mary's Students Union amounting to £405,000 (2020: £408,500), an organisation in which the Student Union President, Victoria Calvino (appointed 1 July 2021 to the date of this report) was member of the University Board of Governors and Charlie Canning who was member of the University Board of Governors between 1 July 2020 and 1 July 2021).

At 31 July 2021 Trade Debtors outstanding (VAT inclusive) from the Student Union in relation to recharges, mostly for salaries and wages amounted to £307,148 (2020: £892).

Salaries and wages recharged to the Student Union amounted to £303,439 (2020 £329,937).

In July 2019, the Holy See, by a Decree of the Congregation for Catholic Education, transferred the Faculties of Theology and Philosophy from Heythrop College to St Mary's University with governance being transferred from the Society of Jesus to the Catholic Bishops' Conference of England and Wales. In November 2019, Mater Ecclesiae College (MEC) was established at St Mary's University. Mater Ecclesiae College will remain the only faculties in the UK with the ability to confer ecclesiastical degrees – qualifications recognised throughout the Catholic Church. We receive a £50k plus VAT for educational services in this arrangement.

28 Post Balance Date Events

There were no significant Post Balance Sheet events to be noted.

Notes to the Financial Statements (continued): Year ended 31 July 2021

29 US Supplementary schedule

We have an obligation as part of our participation in the US Federal Loans program to include Supplemental Information which complies with Federal Register/Vol. 84, No. 184 / Monday, September 23, 2019 / Rules and Regulations. The data below is prepared using UK GAAP and does not include any adjustments that would be required to comply with US GAAP.

Reference	US Regulations	UK GAAP / SORP	2021	2020
	Expendable Net Assets		£'000	£'000
Consolidated Balance Sheet	Statement of Financial Position - Net assets without donor restrictions	Income and expenditure reserve & Revaluation reserve	94,398	89,593
Consolidated Balance Sheet	Statement of Financial Position - Net assets with donor restrictions	I&E - restricted reserve	103	180
Note 16 Trade and Other Receivables	Statement of Financial Position - Related party receivable and Related party note disclosure	Amounts due from Subsidiary Company	-	-
Note 16 Trade and Other Receivables	Statement of Financial Position - Related party receivable and Related party note disclosure	Amounts due from Subsidiary Company	-	-
Note 12 Tangible Fixed Assets	Statement of Financial Position - Property, Plant and equipment, net	Net Book Values of Tangible Assets	106,695	108,636
Note 12 Tangible Fixed Assets	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - pre-implementation	Net Book Values of Tangible Assets - pre-implementation	104,004	108,297
Note 12 Tangible Fixed Assets	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation with outstanding debt for original purchase	Net Book Values of Tangible Assets - post-implementation with outstanding debt for original purchase	-	-
Note 12 Tangible Fixed Assets	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation without outstanding debt for original purchase	Net Book Values of Tangible Assets - post-implementation without outstanding debt for original purchase	2,051	-
Note 12 Tangible Fixed Assets	Note of the Financial Statements - Statement of Financial Position - Construction in progress	Assets Under Construction	640	888
Not applicable	Statement of Financial Position - Lease right-of-use assets, net	Not applicable	-	-
Not applicable	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Not applicable	-	-
Not applicable	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset post-implementation	Not applicable	-	-
Note 14 Intangible Assets	Statement of Financial Position - Goodwill	Intangible assets - Goodwill	-	-
Balance Sheet	Statement of Financial Position - Post-employment and pension liabilities	Pension Provision	14,420	18,579
Note 22 Cash and Cash Equivalents	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Borrowings - Debt due within one year + debt due after 1 year	5,425	2,250
Note 22 Cash and Cash Equivalents	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Borrowings - Incurred pre July 2019	2,025	2,250
Note 22 Cash and Cash Equivalents	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Borrowings - Incurred Post July 2019 to finance Work In Progress	-	-
Note 22 Cash and Cash Equivalents	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Line of Credit for Construction in process	-	-
Not applicable	Statement of Financial Position - Lease right-of-use asset liability	Not applicable	-	-
Not applicable	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Not applicable	-	-
Not applicable	Statement of Financial Position - Lease right-of-use asset liability post-implementation	Not applicable	-	-
Statement of Change in Reserves	Statement of Financial Position - Annuities	Annuities with donor restrictions	-	-
Statement of Change in Reserves	Statement of Financial Position - Term endowments	Term endowments with donor restrictions	-	-
Statement of Change in Reserves	Statement of Financial Position - Life Income Funds	Life income funds with donor restrictions	-	-
Statement of Change in Reserves	Statement of Financial Position - Perpetual Funds	Income and Expenditure Restricted Reserve	103	180

Notes to the Financial Statements (continued): Year ended 31 July 2021

29 US Supplementary schedule (continued)

	Total Expenses and Losses		£'000	£'000
Statement of Comprehensive Income	Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total Expenses	52,545	52,494
Statement of Comprehensive Income	Statement of Activities - Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) - (Total from Statement of Activities prior to adjustments)	Actuarial gain in respect of pension Schemes and Net Investment (loss)	5,197	6,113
Note 5	Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Investment (Income) / Expense	7	35
Statement of Comprehensive Income	Statement of Activities - Pension related changes other than periodic pension	Pension-related changes other than net periodic costs	-	-
	Modified Net Assets			
Statement of Change in Reserves	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions	94,398	89,593
Statement of Change in Reserves	Statement of Financial Position - total Net assets with donor restrictions	Net assets with donor restrictions	103	180
Note 8	Statement of Financial Position - Goodwill	Intangible assets	-	-
Note16 Trade and other receivables	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured Amounts due from Subsidiary Company	-	-
Note16 Trade and other receivables	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured Amounts due from Subsidiary Company	-	-
	Modified Assets			
Balance Sheet	Statement of Financial Position - Total Assets	Total Assets	129,731	124,857
Not applicable	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Not applicable	-	-
Not applicable	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Not applicable	-	-
Note 14 Intangible Assets	Statement of Financial Position - Goodwill	Intangible assets	-	-
Note16 Trade and other receivables	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured amounts due from Subsidiary Company	-	-
Note16 Trade and other receivables	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured Amounts due from Subsidiary Company	-	-
	Net Income Ratio			
Statement of Comprehensive Income	Statement of Activities - Change in Net Assets Without Donor Restrictions	Movement on unrestricted reserves	4,804	7,450
Statement of Comprehensive Income	Statement of Activities - (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Income less Investment Income add Gains on disposal of Assets	52,076	51,146

Appendix 1

Trade Union Facility Time Report: For the year ending 31 March 2021

Table 1

Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
	1.6

Table 2

Percentage of time spent on facility time

Percentage of time	Number of Employees
0%	1
1-50%	3
51-99%	0
100%	0

Table 3

Percentage of pay bill spent on facility time

Publication requirement	Figures
Total cost of facility time	£22,220
Total pay bill	£32,562,718
Percentage of the total pay bill spent on facility time, calculated as: (total costs of facility time ÷ total pay bill) x 100	0.07%

Table 4

Paid trade union activities

Publication requirement	Figure
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0%

Appendix 2

Greenhouse gas emission & energy consumption

Our University is committed to reducing carbon emission. This report is prepared in accordance with the Companies and Limited Liability Partnerships (Energy and Carbon Report) Regulations.

The data presented in the table below show our Green House Gas (GHG) emissions for the period from 1 August 2020 to 31 July 2021. The data for 2020/21 reflect the impact of the Coronavirus lockdown, most notably the reduction in travel, procurement and utilities usage. We have adopted the widely accepted approach defined in the GHG Protocol Corporate Standard, with the equivalent terms from ISO 14064-1 shown in brackets.

Scope 1 (Direct emissions)

This includes emissions from activities owned or controlled by the University that release emissions into the atmosphere. We are reporting on the emissions of fuel used for 8 estate vehicles and 4 rotary mowers, and gas used for heating etc on premises.

Methodology: The litres of fuel was calculated as the overall value of fuel purchased divided by the average price/litre of diesel or petrol. The average price was calculated from weekly fuel price statistics published by the Government. The conversion factor was based on 'Conversion factors 2021' published by Department for Environment, Food & Rural Affairs (DEFRA).

Scope 2 (Energy indirect)

This includes emissions released into the atmosphere associated with your consumption of purchased electricity, heat, steam and cooling. We are reporting all electricity purchased and separately recorded energy from one battery electric vehicle.

Methodology: Electricity usage is based on mileage used for our electric car, whilst other electricity usage relates to those on Campus, the Exchange and other sites. The kWh used by the electric car was calculated from the overall mileage, converted into kWh based on 'Conversion factors 2021' published by DEFRA.

Scope 3 (Other indirect)

This includes emissions relating to business travel by students and staff, procurement, water and waste.

- Staff travel: this includes average weekly commuting to work as well as business travel.
- Student travel: this includes weekly commuting to Campus, Sports Fixtures and other social events.
- Procurement: we have analysed financial data on Food, Drinks, Housekeeping and Short-term maintenance (Repairs and Maintenance)
- Water usage: as stated in utility bills
- Waste usage: a total of all type of waste generated on site.

Methodology: We have applied the latest DEFRA 2021 conversion factors for water usage, waste usage, and students and staff travel data collected using surveys; this included mode of transport, distance travelled and types of travel expenditure.

For data collected from financial analysis, including staff non-commute and procurement, the latest available conversion factors by product categories was published by DEFRA in 2017; to account for inflation over the years, we have applied CPI averages published by Office for National Statistic to these conversion factors.

Appendix 2 (continued)

Following government guidance, the subtotals were added up and the total emissions were presented in the table:

Scope 1	Source unit	Amount	Conversion factor	GHG emission (KgCOe)
Estate Vehicles				
<i>Petrol</i>	litres	1,207	2.19	2,647
<i>Diesel</i>	litres	1,140	2.51	2,863
<i>Gas oil (red diesel)</i>	litres	2,033	2.71	5,500
Gas (natural gas)	kWh	7,910,410	0.18	1,448,871
Total Scope 1				1,459,881

Scope 2	Source unit	Amount	Conversion factor	GHG emission (KgCOe)
Electricity	kWh	2,920,780	0.21	620,169
Battery Electric Vehicle	kWh	1,100	0.21	234
Total Scope 2				620,403

Scope 3	Source unit	Amount	Conversion factor	GHG emission (KgCOe)	Comments
Travel					
Staff commute					
<i>Bus</i>	km	123,943	0.08	9,566	
<i>Train</i>	km	247,886	0.04	8,797	
<i>Car</i>	km	478,871	0.17	80,656	
Staff - non commute	£	4,034	3.57	14,383	Train/Taxi/Bus/Car/Plane
Student commute					
<i>Bus</i>	km	154,193	0.08	11,901	
<i>Train</i>	km	2,378,007	0.04	84,395	
<i>Car</i>	km	451,472	0.17	76,041	
Student travel organised by Student Union (Bus)	km	0	0.08	0	Local Bus hire Nil Return - No Student travel for 20/21 due to Covid
Student travel to sports	km	0	0.13	0	Public transport/Car Nil Return - No Student Sport due to Covid
fixtures	km	0	0.03	0	Coach Nil Return - No Student Sport due to Covid
Student travel to teaching practice	£	28,702	4.35	124,792	Public transport
Procurement					
<i>Food</i>	£	365,450	0.40	146,180	
<i>Drink</i>	£	37,574	0.40	15,030	
<i>Housekeeping</i>	£	63,296	0.03	1,953	
<i>Short term maintenance</i>	£	373,219	0.73	272,749	
Water					
Water supply	m3	32,254	0.15	4,806	m3 bought in
Water treatment	m3	32,678	0.27	8,888	waste - sewage
Waste	tonnes	559	-	8,522	
Total Scope 3				868,659	

Overall total GHG emission in tCOe: **2948.94**

Appendix 2 (continued)

Intensity ratios

Our GHG emission intensity ratio:

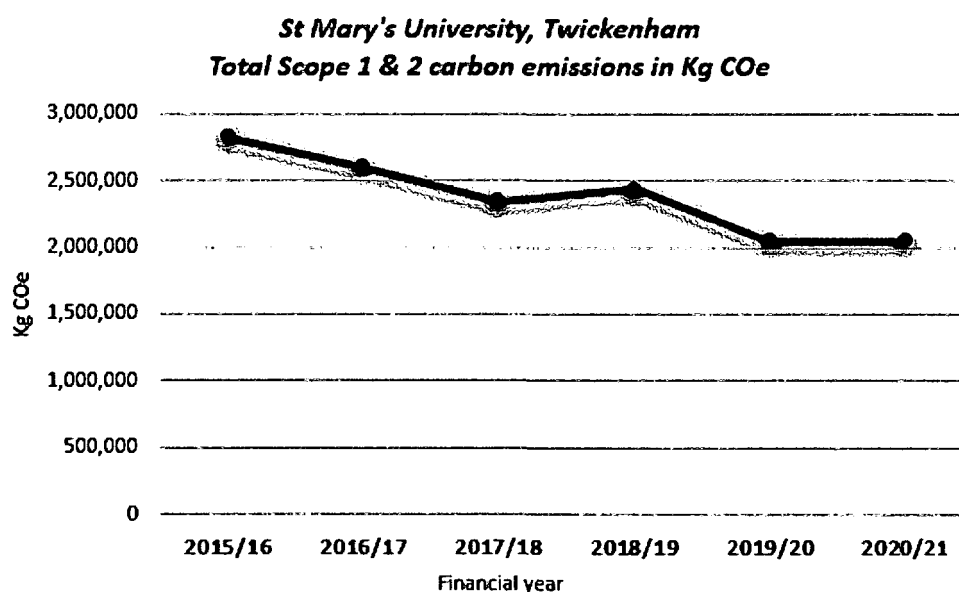
-per Staff FTE is 4.84 (tonnes CO₂e / staff FTE) based on a total of 609 FTE.

-per Students FTE is 0.63 (tonnes CO₂e / student FTE) based on a total of 4693 FTE.

Energy Efficiency Action

We have embarked on a number of capital projects over the years to enable energy efficiency and reduce carbon emissions, this includes replacing emergency lighting with more cost-effective lighting and installing LED lighting across the university. We have also replaced our petrol/diesel estate car with a battery electric car. Additionally, we have installed solar panels on the sports centre roof and ground source heat pumps on sports fields to make use of renewable energy sources. We have increased our focus on sustainability and published a new Sustainability Policy and Strategy which is supported by a newly formed Sustainability Working Group. We have also commissioned an independent energy audit and will form an action plan from this. At the same time, we continue to upgrade our infrastructure and have completed a replacement of our main boilers with modern efficient plant.

The outcome of these capital investments has improved our carbon emissions over the last few years as can be seen in the graph below (source: HESA data submission), albeit the decline between 2018/19 and 2020/21 will have been impacted somewhat by the Coronavirus pandemic.



* Data sourced from HESA for the years between 2015/16 and 2018/19

* Data for 2019/20 and 2020/21 was taken from Carbon Emissions calculation

We endeavour to continue our journey to reducing carbon emission over future years through detailed planning in our capital investment projects.

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