

Annual Statements

2022-2023

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



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

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

Registered Number:

07635609

For the year ended

31 July 2023

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Company Information

Status

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

Group

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

Secretary

Stephen Plant (January 2021 – present)

External Auditor

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

Internal Auditor

TIAA Business Assurance
Artillery House
Fort Fareham Industrial Site
Fareham
PO14 1AH

Insurers

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Zurich House
2 Gladiator Way
Farnborough
Hants
GU14 6GB

Bankers

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

Solicitors

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

Registered Office

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

Members of the University Board of Governors and Executive Leadership Team

Membership of the Board of Governors during the financial year ended 31 July 2023 is shown below. Governors are registered as Directors of the Company with Companies House and also perform the role of Trustee.

Biographies and declared interests can be viewed in the Board of Governors' area of the website, here: <https://www.marjon.ac.uk/about-marjon/governance--management/university-board-of-governors/our-governors/>

This membership information covers the period from 1 August 2022 up until the date on which the Financial Statements were approved by the Board of Governors, 30 January 2024.

Governors	Category of Membership	Membership of Board Committees	Attendance~ Board (Committees)	Date Appointed	Current Term Due to End
Graham Raikes MBE, Chair of Board	Directly Appointed Independent Governor	Finance & Resources Committee; Governance & Nominations Committee; Remuneration Committee; People & Organisational Development Sub-Committee; Estates Project Group; Committee Chairs' Discussion Group	5/5 (21/21)	01/11/2017	01/11/2026 ***
Sarah Boyd	Elected Student Governor; Marjon Student Union President	Estates Project Group; Finance & Resources Committee (attendee); People & Organisational Development Sub-Committee (attendee)	1/1 (1/1)	01/07/2023	30/06/2024
Louise Bridgett	Directly Appointed Independent Governor	Audit Committee	1/1 (1/1)	30.06.2023	29/06/2026
Kate Doodson	Directly Appointed Independent Governor	Finance & Resources Committee; Estates Project Group	4/5 (11/11)	01/01/2020	01/01/2026 **
Matt Evans	Directly Appointed Independent Governor	Governance & Nominations Committee	3/5 (2/3)	01/12/2018	01/12/2024 **
Rt Rev'd James Grier	Church Nominated Independent Governor	Governance & Nominations Committee (from 23/11/2023)	3/3	01/08/2023	31/07/2026
Victoria Hatton	The National Society Nominated Independent Governor	Audit Committee	3/3 (3/5)	01/09/2022	31/08/2025

Alex Hawtin	The National Society Nominated Independent Governor	Finance & Resources Committee; Remuneration Committee; Committee Chairs' Discussion Group (all to 31/07/2023)	4/5 (6/9)	10/12/2018	09/12/2024 **
Prof Patricia Hind	Directly Appointed Independent Governor	Finance & Resources Committee; Remuneration Committee; People & Organisational Development Sub-Committee; Committee Chairs' Discussion Group	4/5 (13/14)	01/11/2017	01/12/2024 ***
Fiona Nicholls	Elected Academic Staff Governor	Digital & Physical Infrastructure Group (from 23/11/2023)	1/4	01/11/2022	31/10/2025
Duncan Swift	Directly Appointed Independent Governor	Finance & Resources Committee	1/1 (2/2)	01/04/2023	31/03/2026
Prof Claire Taylor	Ex-Officio Governor, Vice-Chancellor	Finance & Resources Committee; Estates Project Group; Governance & Nominations Committee; People & Organisational Development Sub-Committee	1/1 (8/8)	09/05/2023	N/A
Esther Tonna-Morgan	Elected Professional Services Staff Governor	People & Organisational Development Sub-Committee (attendee)	3/4 (1/2)	18/11/2021	17/11/2024
Emma van der Lugt	Directly Appointed Independent Governor	Audit Committee; Governance & Nominations Committee; Remuneration Committee; People & Organisational Development Sub-Committee; Committee Chairs' Discussion Group	5/5 (14/14)	01/07/2016	01/07/2025 ***
Dr Laura Wallis	Senate Elected Academic Staff Governor	Finance & Resources Committee (attendee) (from 23/11/2023)	N/A	01/10/2023	30/09/2026
Jackie Westerman	Directly Appointed Independent Governor	Remuneration Committee; People & Organisational Development Sub-Committee	4/5 (4/5)	29/01/2021	28/01/2024
Rev'd Tatiana Wilson	Church Nominated Independent Governor	To be confirmed	N/A	01/01/2024	31/12/2026

Governors whose tenure ended during this period*					
Governors	Category of Membership	Membership of Board Committees	Attendance~ Board (Committees)	Date Appointed	Date Term Ended
Dr Greg Borne	Senate Elected Academic Staff Governor	Estates Project Group	2/4 (2/4)	16/12/2020	31/07/2023
Stephen Criddle OBE	Directly Appointed Independent Governor	Audit Committee; Remuneration Committee	4/4 (4/5)	13/05/2020	12/05/2023
Victoria Holbrook	Directly Appointed Independent Governor	Audit Committee	N/A	01/09/2019	01/09/2022
Prof Michelle Jones	Ex-Officio Governor, Vice-Chancellor (Interim)	Finance & Resources Committee; Estates Project Group; Governance & Nominations Committee	1/1 (8/8)	01/01/2023	09/05/2023
Will Mintram	Elected Student Governor; Marjon Student Union President	Estates Project Group; Finance & Resources Committee (attendee); People & Organisational Development Sub-Committee (attendee)	3/3 (11/11)	01/07/2022	30/06/2023
Ruth Mounstephen	Church Nominated Independent Governor	People & Organisational Development Sub-Committee; Estates Project Group	5/5 (3/6)	06/03/2020 ⁱ	12/09/2023 **
Rev'd Preb Prof Gina Radford	Church Nominated Independent Governor	Audit Committee	N/A	01/11/2019	01/11/2022
John Searson	Church Nominated Independent Governor	Governance & Nominations Committee; Estates Project Group; Committee Chairs' Discussion Group	3/4 (7/7)	01/04/2017	01/04/2023 **
Prof Gary Shum	Elected Academic Staff Governor	Finance & Resources Committee (attendee); People & Organisational Development Sub-Committee (attendee)	N/A	01/11/2019	01/11/2022
Prof Rob Warner	Ex-Officio Governor, Vice-Chancellor	Finance & Resources Committee; Estates Project Group; Governance & Nominations Committee; People & Organisational Development Sub-Committee	2/2 (7/7)	01/03/2017	01/01/2023

Co-optees

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

Name	Role	Date Appointed	End of Current Term
Reena Bajaj	Co-optee	01/10/2023	30/09/2026
James Beckly	Co-optee	01/10/2023	30/09/2026
Guy Bolt	Co-optee	01/01/2023	31/12/2025
Rt Rev'd Dr Timothy Dakin	Co-optee	18/11/2021	17/11/2024
Katherine George	Co-optee	18/11/2021	17/11/2024
Prof Mark Llewellyn	Co-optee	01/04/2023	31/03/2026
Prof John Scott CBE	Co-optee	01/01/2023	31/12/2025
Jennie Walker	Co-optee	01/04/2023	31/03/2026
Co-optees whose tenure ended during this period*			
Rt Rev'd James Grier	Co-optee	01/01/2023	31/07/2023
Victoria Hatton	Co-optee	03/02/2021	31/08/2022

Members of the Board

Appointments to the Board (process)

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

¹ Appointed 6 March 2020; registered Companies House 20 March 2020.

* From 1 August 2022 up until the date on which the Financial Statements were approved by the Board of Governors, 30 January 2024.

** indicates second term of office

*** indicates third term of office

Members of the Executive Leadership Team

Members of the Executive Leadership Team in the year ending 31 July 2023 are outlined below.



Professor Claire Taylor
Vice-Chancellor
& Chief Executive



Stephen Plant
University Secretary
& Registrar



Professor Michelle Jones
Deputy Vice-Chancellor &
Provost
Interim Vice-Chancellor
December 2022 – May
2023



Lucy Pengelly
Executive Director of People &
Culture



Katy Willis
Pro Vice-Chancellor
Student Success



Simon Arthurs
Chief Operating Officer
& Finance Director

Formerly during 2022/23:



Professor Rob Warner
Vice-Chancellor & Chief Executive



Professor Ian Luke
Deputy Vice-Chancellor
Academic

Welcome by the Chair

It is with delight I welcome our new Vice-Chancellor, Professor Claire Taylor, from Wrexham Glyndwr University and to this her first Annual Statements. I will also take this opportunity to thank our outgoing Vice-Chancellor, Professor Rob Warner, for all that he did especially in laying the foundations for last year's Research Excellence Framework results and this year's Gold Standard Teaching Excellence Framework results. We wish him well in his retirement.

I would also like to put on record, on behalf of the Board, our thanks to all staff throughout the University for their professionalism and their contribution to these achievements.

The sector is facing a number of issues and Marjon, like many smaller universities, is feeling these especially hard. Creating and maintaining financial sustainability against a background of inflation, the increased cost of living together with increased staff and pension costs against a decline in real terms income from tuition fees, static for over six years now, is a difficult juggling act. These challenges have had an impact on our financial performance this year and with further pressures looming will flow into forthcoming years.

There have been some huge positives through the year and I want to highlight a couple of them. We can be really proud of our league table results for social inclusion and student satisfaction and our investment in health, with recent Nursing and Midwifery Council accreditation, will pave the way for growth in students on campus. The purchase of the Studio School and the recent injection of funds to refurbish the Peninsula Allied Health Building mark a very positive step in the longer-term modernisation of the campus. These incremental developments are all part of the overall plan to attract and convert new students to programmes; some of which support our Public Sector partners.

There is much to do and there is a real opportunity for the University to increase on site growth and to build up its financial resilience following a period of investment. This next period of the University journey will require very careful strategic visioning, financial and operational management whilst adhering to our core purpose. I know that the Vice-Chancellor and her Executive will address these challenges head on.



Graham Raikes MBE
Chair of the Board of Governors



Welcome by Vice-Chancellor

I was delighted to join the University as Vice-Chancellor and Chief Executive in May 2023 and it is an incredible privilege to be entrusted with such responsibility. Plymouth Marjon University has a rich heritage and is confident in its purpose, having been committed to tackling social inequalities for over 180 years. As Vice-Chancellor I am focused on building on what has gone before, whilst also actively looking to shape the future.

There are many sector challenges which makes it even more important that we focus on our strengths, retain a clear purpose and do best what matters most. It is with this in mind that work has begun on the 2023 Foundational Delivery Plan with a significant focus on our curriculum offer, utilising digital technologies and supporting our people without whom we cannot continue to develop the student and staff community which is so impressive here at the University. The Foundational delivery Plan also paves the way for our new University strategy, Marjon 2030, which will be finalised during 2024.

The financial performance is partly a reflection of the pressures facing the sector, although even within this there are opportunities to improve how we use our resources to best effect. What is critical is that we ensure a continued focus on our students, partners and our local community without forgetting our national and international aspirations. We will endeavour to ensure our research and knowledge exchange has the broadest impact possible, working with partners to tackle practical issues and challenges.

Through a high-quality education and experience we firmly believe we can give our graduates the knowledge and skills, as future leaders in their chosen sectors, so they will challenge inequality in all its forms to create opportunity for the many not the few.

Plymouth Marjon University is a place where a difference can be made and lives are transformed. I am absolutely committed to serving colleagues, our students, our communities and partners to the best of my ability and for the greater good as we shape the future together, further developing our incredible University as a beacon of opportunity and possibility for the people of Plymouth, our region, the UK and beyond.



Professor Claire Taylor

Vice-Chancellor & Chief Executive



Strategic Report

Operating and Financial Review

The members of the University Board of Governors have pleasure in presenting their report and the audited financial statements for the year ended 31 July 2023 following a further year of challenges and opportunity.

Operating Review

2023 is a milestone year for Marjon, marking the 50th anniversary of our arrival in Plymouth in 1973, and the 100th anniversary of the merger between St Mark's, Chelsea, and St John's, Battersea. Shortly after that, the word Marjohn was first used by students, to refer to a student at the new college, rather than the Sinjuns and Marksmen from the old colleges.

The last academic year has been eventful at Marjon. We bid farewell to our Vice-Chancellor since 2017, Professor Rob Warner, and welcomed our new Vice-Chancellor, Professor Claire Taylor from Wrexham Glyndwr University.

We have continued to be recognised for our exceptional student experience. Our latest news is that we have been ranked Gold in the Teaching Excellence Framework 2023 – a testament to our many years of high quality teaching.

Within our undergraduate population, Marjon is currently ranked No 2 in England for Student Satisfaction (Complete University Guide 2024). We are ranked by our students in the Top 10 in the country for Student Support; Lecturers and Teaching Quality; and Career Prospects (WhatUni Student Choice Awards 2023). In the Good University Guide 2024 we are ranked Top 10 in England for Social Inclusion, Student Experience and Teaching Quality. The newly published Daily Mail University Guide 2023 ranked us in the Top 5 in England for Teaching Excellence. Our Education programmes were ranked in the Top 5 in the UK by the Guardian Education Guide.

For postgraduate students, we were ranked first in the UK for assessment for the fourth year running (2020 to 2023). The University was also ranked 12th overall out of 101 other universities and scored 100% satisfaction rating for the quality of our education courses.

We are grateful to our students who have once again rated us so highly – and our colleagues who continue to offer such a thoughtful and positive experience.

Our impressive postgraduate experience means that for 2023, we are welcoming to campus one of our largest postgraduate cohorts ever, to study a variety of courses from teacher training to Psychology to Public Health.

Several new programmes have launched in the last year, with a major focus on new health programmes. We launched a new Physiotherapy degree which is already proving to be one of our most popular subjects. We opened a new nursing suite in January which boasts some incredible new technology, enabling nursing students to practise on highly technical simulation models. We also opened a new Osteopathic Medicine clinic in which our students work alongside with professional osteopaths to treat members of the public.

We are launching many programmes to fill NHS workforce gaps. One fast-track programme is training new learning disability nurses, with the cohort coming from various backgrounds including carers and Special Educational Needs specialists. In 2025, we will be opening our new £5.8m health and wellbeing community hub which is designed specifically for NHS needs.

On campus, during last summer we saw the switch on of our ground source heat pumps. The project was shortlisted for a prestigious Green Gown Award and continues to receive praise for its ambition and scope. In the first term we opened new Padel courts – the fastest growing sport in the UK which are proving incredibly popular, and a new campus shop.

We continue to encourage a wildlife and nature-friendly campus, with deer frequently spotted on campus in the early mornings. The 200 trees we planted last year are flourishing, and we have seen the first honey from our hives. We have nurtured a wildflower meadow to spring up in the middle of our quad, encouraging pollinators to campus.

Many of our Marjon students enjoy sport and physical activity whilst with us. Over 500 are members of our Marjon Sports Federation, playing for Marjon sports teams. We sponsor 25 Sports Scholars to pursue their sport at an elite level.

Our Women's Basketball team won the treble last year (league, cup, and Varsity). Our Wheelchair Basketball team came 2nd in the league last season BUCS (British Universities and Colleges Sport) and our Men's Lacrosse team stayed in Premier Tier of BUCS – the first team to achieve this in 12 years.

Some of our students had incredible individual success, including the Women's Surf Champion in BUCS for 22/23, Ironman Bolton Champion (for their age group), a call up to England University 7s rugby, a senior coach for Welsh table tennis & 12th in Great Britain for shotput.

We continue to welcome many members of the local community to campus each week with 1500 members using our facilities, including 500 students. More than 1000 children take part in sports clubs and camps, over 450 enjoy swimming lessons and over 200 people take part in exercise classes each week. Our annual Varsity sports event vs the University of Plymouth raised £5,500 to support the British Heart Foundation, a charity chosen by our students.

The next phase of facility development is underway as we work towards replacing our 3G and natural turf playing surfaces at Marjon in 2025.

It's been a momentous 100 years for Marjon, moving to Plymouth 50 years ago and gaining University status 10 years ago in 2013. We continue to be proud of our place in Plymouth and the South West and thank all those who support us and our students.

Operational and Financial Sustainability

Financial forecasts were initially approved that anticipated the University achieving a planned investment budget (delivering a break-even position but permitting continued investment in marketing, digital and health). Non-free income projections have once again been set prudently at levels to continue steady sustained improvements post Covid and also due to recognition that the cost of living has created some disruption to the revenue in residential accommodation and retail and with increased withdrawals during the year.

The University will increase the investment in digital which is needed to drive more sustainable revenue growth through the development of a Customer Relationship Management system and to reduce the operating costs to improve both financial sustainability and financial resilience. This is key given the financial performance in 2022/23. Against this backdrop of the same economics that many Universities in the sector are experiencing is the ongoing need to tightly control cost whilst growing and diversifying its revenue and ensuring standards of financial management continue to improve. The Office for Students (OfS) also monitors universities' financial health through the Annual Financial Return which contains increased year on year scrutiny. Despite the challenges the University continues to compete and win external funding.

The management of cash within the year prior to the final student loan fee payment boosting cash reserves in May will remain a juggling act whilst we go through a period of contraction to reset for the new University vision. Increased operational reporting will be required to ensure best use of our resources in future.

Future Plans and Risk Management

Risk management is an essential element of managing the delivery of the strategic plan and the supporting financial strategy. The Board is acutely aware of the risk to student population and fees and funding with Higher Education in England and the underlying economic turmoil which is particularly impacting on the sector and the University.

While the future of tuition fees remains uncertain continued sensitivities will need to be applied as we shift to rolling 3-year Business Planning and a curriculum review. Far more scrutiny of student numbers, assumptions and risk is taking place to shape the future revenue assumptions and there will be a need to change the university operating models to deliver within resources.

Risks continue to be highlighted and discussed at Audit Committee, the Board, at each Executive Leadership Team and in major projects now these are starting in delivery of the campus development plan or use scarce resource.

The primary risks to the University have been identified as:

- Student population and fees
- Financial sustainability and pension costs
- League table performance
- Conversion and retention
- Cyber security, business continuity and succession planning
- Government stability and the underlying economy, including cost of living, pay demands, utility costs and the supply chains

Executive Leadership Team and Governors are now working on the Marjon 2030 Foundational delivery Plan to create the Marjon Strategy for 2030.

Public Benefit Statement

Plymouth Marjon University is both a company limited by guarantee and an exempt charity by Schedule 3 of the Charities Act 2011, regulated by the Office for Students (OfS). The Charities Act 2011 places an obligation on charities to demonstrate explicitly how they provide public benefit. Our primary purpose as set out in the company's Articles of Association, is to promote the advancement of further and higher education and the consequent work of the University in accordance with the principles of the Church of England.

In setting and reviewing the University's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit. The principal beneficiaries of the University's services are our students and the public at large.

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

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

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

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

Our sport provision makes an active contribution to the wider community, not only through the sports facilities being made available to community groups and schools locally, but through encouraging children across the City region to engage in active sport from a young age to keeping people active later in life. We continue to seek opportunities to increase accessibility within sport and physical activity. Through careful scrutiny the University also explores diversifying with new partnerships for the region and improve the nature of the partnerships with the city's elite clubs Plymouth Argyle, Plymouth Albion and Plymouth City Patriots.

Our Marjon Arts Centre has served as a destination venue for the North of the city supporting comedy, public profile guest lectures, wrestling and a range of commercial and community based performances for the public to enjoy.

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

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

Payments to Trustees

No payments were made to the Governors as charity trustees during the year except in the reimbursement of expenses incurred on the University's business. These expenses amounted to £2,118. This represents travel and subsistence expenses incurred in attending Board, committee meetings and other events in their official capacity.

Financial Highlights

The University, like many in the sector, has been subject to the challenge of increasing costs with a fee that has not changed for over a decade. The financial position reflects the net reduction to the student population, partly due to the increased cost of living and the impact of grade inflation working through the sector post covid. The University is on a journey to redesign the operating model for the future and as such has already begun to reduce the staffing cost base with the use of an early release scheme. The University has continued to create a positive Earnings before interest tax, depreciation and amortisation (EBITDA) £0.229m although this is much lower than in prior years. The cash position has therefore fallen to £5.8m at year-end ahead of the expected return on investment from future growth in Health, Teaching and as a result of re-investing in marketing.

The financial position has resulted in a breach of the bank covenant, which has been waived. New covenants have been negotiated going forwards. Thus, financial control will be key after a very challenging year and with cash being reduced as we move into the 2023/24 period. This will require careful management to ensure compliance with regulatory and banking conditions and maintaining good relationships with the supply chain and our partners.

Environment and Sustainability

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

All Marjon's energy is consumed within the UK and the university is reporting on its energy use, including gas, electric and fuel consumption for transportation and their associated carbon emissions. The university also will be using tonnes of CO₂e per m², based on the Gross Internal Area (GIA) to enable an intensity ratio to be established. The GIA of the university for the reporting period is 34,988m². The GIA covers both the estate's academic and residential buildings. The recently acquired Studio School is not included in the GIA figure due to vacant possession during the reporting period.

The reporting periods all end on the 31st July and the table beneath covers the reporting period 2022-2023 as well as a base year. The base year offers a comparative data set against which progress can be measured. The table provide insight into the energy used and carbon created to heat and power the university.

Emissions	Fuel Source	Current Year 2022-2023			Base Year 2020-2021		
Total Emissions		Volume	Unit	TCO2e	Volume	Unit	TCO2e
Total energy & carbon		6,102,586	kWh	1,224	7,853,286	kWh	1,576
Scope 1							
Heating	Natural gas	3,034,548	kWh	553.93	5,177,815	kWh	952.04
Plant	Diesel	5,300	kWh	1.28	5,300	kWh	1.28
Scope 2							
Electricity	National grid	3,068,037	kWh	593.30	2,591,785	kWh	604.25
Electricity	On site solar	392,842	kWh	75.97	78,386	kWh	18.27

Energy Intensity Ratios (S1 & S2)	GIA m2	Ratio	GIA m2	Ratio
Intensity Ratio GIA	34,988	0.02284	34,988	0.02777

Quantification and reporting methodology

The University have followed the March 2019 HM Government Environmental Reporting Guidelines. We have utilised the template devised by Hillside Environmental Services and EAUC which follows the GHG protocols corporate standards & SECR guidelines for College Corporations.

Intensity measurement

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

Measures taken to improve energy efficiency

During 2022-2023 the university has completed the installation of a large ground source heat pump network for the campus main buildings and areas of accommodation. The installation has reduced the university's reliance on gas but has led to an increase in electricity consumption. This increase has been offset somewhat by the continued use of PV arrays on several buildings.

Report of the Members of the University Board of Governors

The Board of Governors, as the directors of the University of St Mark & St John, presents the University's annual report and audited financial statements for the year ended 31 July 2023.

Tax Status

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

Fixed Assets

Freehold property is included in the Balance Sheet at cost.

Employees

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

Payment of Creditors

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

Governors' Liability Insurance

The University has purchased Governors' liability insurance for the members of the University Board of Governors for the year ended 31 July 2023.

Members' Statement as to Disclosure of Information to Auditor

The members of the University Board of Governors at the time of approving this report are listed from page 5. Having made enquiries of fellow members, each of these members confirm that:

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

Auditor

Bishop Fleming LLP were appointed as external auditor for the year 2022/23 and have again won the recent competitive tender to remain our External Auditors for a further 5-year period.

The financial statements on pages 33 to 63 were approved by the Board of Governors of the University of St Mark & St John 30 January 2024 and signed on its behalf by:



Graham Raikes MBE
Chair of the Board of Governors



Professor Claire Taylor
Vice-Chancellor

Statement of Directors' Responsibilities

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

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

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

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

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

Statement of Corporate Governance

Legal status

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

The following statement is provided to enable readers of the annual report and accounts of the University to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2022 to 31 July 2023 and up to the date of approval of the annual report and financial statements.

The University conducts its business

- in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership). In accordance with these principles the University maintains a publicly accessible Register of Governors' Interests and declared trusteeships or directorships. Provisions relating to declaration of interests are specified in the Articles of the University and members are asked to declare interests at every meeting.
- in full accordance with the guidance to Universities from the Committee of University Chairs (CUC) in:
 - The Higher Education Code of Governance 2020 ("The Code")
 - The Higher Education Audit Committees Code of Practice 2020 ("The Audit Code")
 - The Higher Education Senior Staff Remuneration Code 2021 ("The Remuneration Code")

and having due regard to

- the UK Corporate Governance Code 2018

insofar as it is applicable.

The University is committed to exhibiting best practice in all aspects of corporate governance. In the opinion of the members of the University Board of Governors, the University complies with all the provisions of the Code and it has complied throughout the year ended 31 July 2023. The CUC Codes continue to be adopted on a 'comply or explain' basis.

Marjon Student Union

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

The University Board of Governors approved the updated Marjon Student Union constitution in July 2023.

How the University is Governed

Members of the University's Board of Governors accept responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding public and other funds and assets for which they are responsible, in accordance with the Memorandum and Articles of Association of the University of St Mark & St John and the terms and conditions of funding for Higher Education Institutions from the Office for Students (OfS).

Governors take on two roles: one as trustee of the charity and one as (non-executive) director of the company. As a trustee, members are responsible for annually signing off the accounts for the company. This is undertaken during the Board of Governors' meeting in the autumn.

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

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

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

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

Board meetings and membership

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

Board Committees

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

The committees of the Board of Governors are as follows:

Finance & Resources Committee

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

The Finance & Resources Committee also delegates authority to the **Estates Project Group** to lead the development of strategies and plans relating to existing and future campus developments. Going forward, from 2023-24 onwards, this group will be re-named the **Digital & Physical Infrastructure Group**; its remit will encompass digital transformation, which is an area of strategic focus.

Audit Committee

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

Governance & Nominations Committee

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

Remuneration Committee

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

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

Senate

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

Student Engagement

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

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

Governance during the year

The University's Board of Governors held three full Board meetings, one Strategy Briefing Day and one Strategy Session during 2022-23. All of these events were held in person, on the Plymouth Marjon University campus. One further Extraordinary Board meeting was held virtually, to discuss and confirm the appointment of the University's new Vice-Chancellor.

The University Board of Governors' four committees, one sub-committee and one task group met as follows in 2022-23:

1. Finance & Resources Committee – six meetings
2. Audit Committee – three meetings
3. Governance & Nominations Committee – three meetings
4. Remuneration Committee – two scheduled meetings and one Extraordinary meeting, regarding the appointment of the Vice-Chancellor
5. People & Organisational Development Sub-Committee – two meetings
6. Estates Project Group – three meetings, a workshop and campus tour

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

Vice-Chancellor, Prof Rob Warner, retired in December 2022. The search for his successor was initiated in a timely manner, in accordance with protocols laid down in the University's Articles of Association. The process involved a wide range of stakeholders and the search was led by a recruitment agency on behalf of the Board. Prof Michelle Jones, Deputy Vice-Chancellor, was appointed Vice-Chancellor (Interim) December 2022 to May 2023.

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

A number of policies and statements were approved, including: Whistleblowing Report and Policy; Board Effectiveness Statement; Annual Report on Research & Knowledge Exchange including Research Integrity Statement; Health & Safety Policy and Statement of Intent; Prevent Duty Policy and Monitoring; Annual

Remuneration Statement; Modern Slavery and Human Trafficking Annual Statement; Equality Plan; Financial Strategy; Treasury Policy; Cyber-Security Policy review; Risk Management Policy (review).

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

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

- Local, national, regional, sector and political developments
- Updates from the Vice-Chancellor
- Institutional KPIs Annual Report
- Academic matters including Research Excellence Framework (REF) Submission; Teaching Excellence Framework (TEF) Submission; Annual Quality Assurance Report;
- Reports regarding Office for Students, including Annual Financial Return (AFR), Transparent Costing (TRAC) Return; B3 Condition Update – Briefing Note; House of Lords' Inquiry into OfS – Briefing Note
- Mental Health and Wellbeing Strategy Update
- Student recruitment, retention, performance and student surveys
- Update on Student Recruitment and Marketing Strategy
- Update on Student Experience
- Access and Participation Update
- Updates from MSU President
- Review of MSU Constitution, update on MSU election, minutes of MSU Annual General Meeting
- Management accounts and other financial information
- Estates Update
- Departmental updates
- Updates from the University Chaplain
- Equality and Diversity
- Gender and pay
- HESA Staff Return
- Freedom of Speech Briefing Note
- Data Protection and Freedom of Information
- Any fraudulent incidents, legal activity, health and safety incidents, whistleblowing incidents, student casework (this report is received by F&R Committee, Audit Committee and Board, as Reserved Business)
- Strategic Risk Register
- Board Effectiveness
- Governors' Handbook
- Board membership, skills audit, Register of Interests
- Minutes of the meetings of the Finance & Resources Committee, Audit Committee, Estates Project Group, Governance & Nominations Committee, People & Organisational Development Sub-Committee and Senate. Annual review/approval of T.085terms of Reference. In addition to the minutes, the Chairs of the respective committees provided verbal reports and received and responded to questions from Board of Governor members. Remuneration Committee provided an annual report to the Board in place of minutes.
- Data returns and statistics inclusive of annual data assurance report
- Marjon Futures Update
- Tackling Sexual Misconduct and Harassment
- Updates on University events and activities

The University Board of Governors received training, development and strategic updates on the following areas during 2022-23:

- Strategic Briefing Session from the Chair of the Board and all members of the Senior Management Team in advance of the Vice-Chancellor interview days
- Introduction to Marjon - What Makes Marjon Special
- Introduction to Governance
- Living the Values
- Through the Eyes of the Student
- Academic Update: Introduction to School of Sport, Exercise and Rehabilitation
- An Overview of Library, Archive & Student Skills

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

MSU Trustees' Report and Financial Statements were received and a recommendation made to the Board regarding MSU financial support. A report on the library provision was considered and a visit to the library arranged for the full Board as part of a Strategy Session.

Regular updates on Estates were received and the Committee worked closely with the Estates Project Group. The latter convened four times including conducting an in-depth workshop on the options for new student residential accommodation.

The Board of Governors approved the appointment of both Internal and External auditors, whose delivery commenced with effect from 1 August 2022. The Audit Committee met with the Internal Auditors on three occasions during the year. The Internal Auditors liaised with the Marjon Audit Group (MAG) to prepare for these meetings. The Committee met to consider Internal Audit Reports; review and plan forthcoming internal audit reviews; receive the Internal Auditors' annual report; review committee effectiveness with regard to the CUC Higher Education Audit Committees Code of Practice (May 2020).

The Committee met with the External Auditors twice in 2022-23 to consider the audit plan and to consider and receive the audit findings report and financial statements for the year. A representative from the University attended all meetings but, at the request of the Chair of the Audit Committee, left the meeting as needed so that independent discussions could take place between members of the Audit Committee and the Internal and/or External Auditors. The Chair of the Audit Committee provided an annual report for the University Board of Governors which included reference to a report on value for money initiatives undertaken by the University.

During 2022-23, Audit Committee commissioned the following reviews: Key Finance Systems including Payroll Controls; Staff Recruitment and Retention including professional development; Graduate Outcomes and Student Voice; Student Recruitment (including compliance with the CMA Guidelines and UKVI requirements) and Retention; Student Wellbeing; Student Accommodation. Reports on Student Wellbeing (including suicide prevention arrangements) and Staff Recruitment and Retention including professional development would be finalised in the autumn of 2023, the fieldwork having taken place in 2022-23. An advisory review of compliance with the UUK Accommodation Code of Practice for the Management of Student Housing was undertaken. An advisory review of Cyber-Security Maturity was also conducted. As well as these reviews, a follow-up review of any outstanding recommendations from 2021-22 audit reports was conducted. The Director of Internal Audit of PricewaterhouseCoopers attended the meeting held in November 2022, in order to present the report of the Finance Review, which had formed part of the previous year's Internal Audit Plan.

Governance & Nominations Committee considered nominations for vacancies to the University Board of Governors and its committees; committee terms of reference; Board effectiveness; skills and diversity of the Board; Board members' induction and development training; Chancellor and Vice-Chancellor Succession Planning. A review of the University's alignment with the CUC HE Code of Governance 2020 had been conducted by PricewaterhouseCoopers in 2022 and was resoundingly confirmed as effective.

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

People & Organisational Development Sub-Committee considered in detail the University's People Strategy action plan and other human resources matters. These included an update on the Gender Pay Gap.

Statement of responsibilities of the Board of Governors

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

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

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

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

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

- ensuring that funds from OfS and other funding bodies are used only for the purposes for which they have been given and in accordance with the Terms and Conditions of funding for Higher Education Institutions and any other conditions which OfS may from time to time prescribe;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the University's resources and expenditure.

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

Internal Control

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the likelihood, nature and extent of those risks, aim to reduce the impact of the risks whilst seeking to ensure that all risks, and opportunities, are managed efficiently, effectively and economically. The continuous review of risk includes business, operational and compliance risk as well as financial risk. This process has been in place for the year ended 31 July 2023 and up to the date of approval of the financial statements and accords with OfS guidance.

The process for risk assessment is embedded in the ongoing operation of the University. The strategic risk register is updated throughout the year and reviewed at the main committees of the Board of Governors. The Senior Management Team and their sub-committees also review the risks at their meetings throughout the year, providing regular reports on internal control and risk and highlighting any changes to the Board. The Audit Committee reviews risk identification, evaluation and management reporting to the Board of Governors which is ultimately responsible

for ensuring that a sound system of internal control is maintained. Its terms of reference align with the CUC Higher Education Audit Committees Code of Practice (May 2020). A Management Audit Group (MAG) has been established comprising Internal Auditor, Finance Director and University Secretary to provide oversight of the internal audit process.

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

The review of the effectiveness of the system of internal control is informed by the work of the executive managers within the institution, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the External Auditors in their reports. The External Auditors have provided a highlights memorandum and management letter in connection with the 2022-23 financial statements and their report to the Audit Committee will be forwarded to the OfS.

The Board, through the Audit Committee, has reviewed the effectiveness of the system of control operating in 2022-23 and up to the date of approval of these financial statements.

Going Concern

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



Graham Raikes MBE

Chair of the Board of Governors

**Independent auditors' report to the Members of The University of St Mark & St John
(a company limited by guarantee)**

Opinion

We have audited the financial statements of the University of St Mark & St John (the 'University') and its subsidiaries (the 'Group') for the year ended 31 July 2023 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated and Institute Statement of Changes in Reserves, the Consolidated and Institute Statement of Financial Position, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: Accounting for Further and Higher Education (the 'FE HE SORP') and the Office for Students' Accounts Direction (OfS 2019.41).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2023 and of the Group's deficit of income against expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the FE HE SORP and the Office for Students' Accounts Direction (OfS 2019.41).
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusion relating to going concern

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

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

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

Other information

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

**Independent auditors' report to the Members of The University of St Mark & St John
(a company limited by guarantee) - continued**

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

In our opinion:

- funds from whatever source administered by the University for the specific purposes have been applied to those purposes and managed in accordance with relevant legislation; and
- funds provided by the Office for Students ('OfS'), UK Research and Innovation (including Research England), the Education and Skills Funding Agency and Department for Education have been applied in accordance with the relevant terms and conditions attached to them.

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

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

Matters on which we are required to report by exception

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

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

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

Independent auditors' report to the Members of The University of St Mark & St John (a company limited by guarantee) - continued

Responsibilities of the Board of Governors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

**Independent auditors' report to the Members of The University of St Mark & St John
(a company limited by guarantee) - continued**

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

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

Our procedures to respond to risks identified included the following:

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

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

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

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

**Independent auditors' report to the Members of The University of St Mark & St John
(a company limited by guarantee) - continued**

Use of our report

This report is made solely to the University's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the University's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 20 February 2024

**Consolidated Statement of Comprehensive Income and Expenditure
Year Ended 31 July 2023**

	Notes	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2022 Consolidated £'000
Income			
Tuition fees and education contracts	1	20,764	21,559
Funding body grants	2	2,057	1,264
Research grants and contracts	3	94	104
Other income	5	6,580	9,095
Investment income	6	85	49
Total income		29,580	32,071
Expenditure			
Staff costs	7	15,822	16,527
Restructuring costs	7	277	157
Other operating expenses	9	13,134	13,404
Depreciation and amortisation	10	2,257	2,206
Interest and other finance costs	8	547	825
Total expenditure		32,037	33,119
(Deficit) before other gains/(losses)		(2,457) (8%)	(1,048) (3%)
Gain / (Loss) on investments		(118)	(198)
(Deficit) before tax		(2,575) 8%	(1,246) 4%
(Deficit) for the year		(2,575) 8%	(1,246) 4%
Other comprehensive income			
Actuarial profit/(loss) in respect of pension schemes	23	9,459	19,045
Pension Surplus not recognised		(7,069)	-
Total comprehensive income for the year		(185) 0.1%	17,799 55%
Surplus / (Deficit) for the year attributable to:			
Institution		(2,575)	(1,246)

All items of income and expenditure relate to continuing activities.
Notes on pages 42-63 form part of these financial statements

**Consolidated and Institute Statement of Changes in Reserves
Year Ended 31 July 2023**

Consolidated	Income and expenditure reserve	Revaluation reserve	Total
	Unrestricted		
	£'000	£'000	£'000
Balance at 1 August 2021	16,251	3,699	19,950
Surplus/(deficit) for the year	(1,246)	-	(1,246)
Other comprehensive income	19,045	-	19,045
Total comprehensive income for the year	17,799	-	17,799
Balance at 1 August 2022	34,050	3,699	37,749
Surplus/(deficit) for the year	(2,575)	-	(2,575)
Other comprehensive income	9,459	-	9,459
Pension Surplus not recognised	(7,069)	-	(7,069)
Total comprehensive income for the year	(185)	-	(185)
Balance at 31 July 2023	33,865	3,699	37,564
	Income and expenditure reserve	Revaluation reserve	Total
Institution	Unrestricted		
	£'000	£'000	£'000
Balance at 1 August 2021	16,358	3,699	20,057
Surplus/(deficit) for the year	(1,246)	-	(1,246)
Other comprehensive income	19,045	-	19,045
Total comprehensive income for the year	17,799	-	17,799
Balance at 1 August 2022	34,157	3,699	37,856
Surplus/(deficit) for the year	(2,575)	-	(2,575)
Other comprehensive income	9,459	-	9,459
Pension surplus not recognised	(7,069)	-	(7,069)
Total comprehensive income for the year	(185)	-	(185)
Balance at 31 July 2023	33,971	3,699	37,670

Consolidated and Institute Statement of Financial Position (Balance Sheet)
Year Ended 31 July 2023

		Year ended 31 July 2023		Year ended 31 July 2022	
	Notes	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Non-current assets					
Tangible assets	10	37,637	37,654	36,837	36,855
Investments	11	894	894	1,522	1,522
		38,531	38,548	38,359	38,377
Current assets					
Stock	12	1	1	1	1
Trade and other receivables	13	5,694	5,783	3,998	4,087
Cash and cash equivalents		5,769	5,769	8,055	8,055
		11,464	11,553	12,054	12,143
Less:					
Creditors: amounts falling due within one year	14	(5,231)	(5,231)	(3,533)	(3,533)
Net current assets		6,233	6,322	8,521	8,610
Total assets less current liabilities		44,764	44,870	46,880	46,987
Creditors: amounts falling due after more than one year	16	(7,175)	(7,175)	(7,751)	(7,751)
Pension provisions	19,23	(25)	(25)	(1,380)	(1,380)
Total net assets		37,564	37,670	37,749	37,856
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		33,865	33,971	34,050	34,157
Revaluation reserve		3,699	3,699	3,699	3,699
Total Reserves		37,564	37,670	37,749	37,856

Notes on pages 42-63 form part of these financial statements

Graham Raikes MBE
Chair of the Board of Governors
Date: 30 January 2024

Professor Claire Taylor
Vice-Chancellor & Chief Executive
Date: 30 January 2024

Consolidated and Institute Statement of Cash Flows
Year Ended 31 July 2023

	Notes	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Cash flow from operating activities			
(Deficit)/Surplus for the year before tax		(2,575)	(1,246)
Adjustment for non-cash items			
Depreciation	10	2,257	2,206
Decrease/(increase) in stock	12	0	8
Decrease/(increase) in debtors	13	(1,696)	(620)
Revaluation loss/(gain) on investments		243	200
Actuarial movement on pension		2,390	19,045
Pension Notional Interest		33	271
Increase/(decrease) in creditors	14,16	1,659	107
Increase/(decrease) in pension provision	23	(1,389)	(16,340)
Adjustment for investing or financing activities			
Investment income	6	(85)	(49)
(Gain)/Loss on the sale of tangible assets		145	0
Interest payable	8	514	554
Cash flows from operating activities		<u>1,496</u>	<u>4,136</u>
Taxation		0	0
Net cash inflow from operating activities		<u>1,496</u>	<u>4,136</u>
Cash flows from investing activities			
Purchase of investments	11	(164)	(131)
Sale of investments	11	545	136
Investment income	5	85	49
Payments made to acquire tangible assets	10	(3,197)	(4,547)
Interest received		0	0
		<u>(2,731)</u>	<u>(4,493)</u>
Cash flows from financing activities			
Interest paid	8	(514)	(554)
Repayments of amounts borrowed	17	(537)	(505)
		<u>(1,051)</u>	<u>(1,059)</u>
Increase in cash and cash equivalents in the year		<u>(2,286)</u>	<u>(1,416)</u>
Cash and cash equivalents at beginning of the year		8,055	9,471
Cash and cash equivalents at end of the year		<u>5,769</u>	<u>8,055</u>

Notes on pages 42-63 form part of these financial statements

Statement of Accounting Policies Year Ended 31 July 2023

1. General Information

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

2. Basis of Preparation

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

3. Basis of Consolidation

The consolidated financial statements include the University and its subsidiary (Marjon (South West) Limited) for the financial year to 31 July 2023. Intra-group transactions are eliminated on consolidation. In the Company's accounts, investment in subsidiaries are stated at cost less amounts written off.

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

4. Income Recognition

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

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

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

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

Grant Funding

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

Capital Grants

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

5. Going Concern

The University has sufficient financial resources together with continued funding. As a consequence, the directors believe that the University is well placed to manage its business risk successfully whilst we restructure the University to manage within resource limits in a challenging sector environment. We continue to examine the longer term horizon and run scenarios and explore fee diversification resulting from new opportunities in response to changes

in the student population. The University monitors applicant and conversion rates and is working on measures to improve continuation. The University has also been reducing its residual debt finance. The directors have a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

6. Accounting for Retirement Benefits

The 4 principal pension schemes for the University are:

1. Universities Superannuation Scheme (USS)
2. Local Government Pension Scheme (LGPS) - *administered by the London Pensions Fund Authority (LPFA)*
3. Teachers' Pension Scheme (TPS)
4. Church of England Funded Pension Scheme (CoEFPS)

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

Each fund is valued regularly by professionally qualified independent actuaries.

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

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

Defined Contribution Plan

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

Defined Benefit Plan

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

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

The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

7. Employment Benefits

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

8. 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.

9. Fixed Assets

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

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

Buildings and Integral Fixtures and Fittings

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

No depreciation is charged on freehold land.

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

Other Fixtures and Fittings and Equipment

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

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

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

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

10. Capitalisation of Interest

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

11. Finance Costs

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

12. Investments

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

13. Stock

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

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

14. Cash and Cash Equivalents

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

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

15. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised in the financial statements when:

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

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

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

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

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

16. Foreign Currencies

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

17. Taxation Status

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

18. Maintenance Costs

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

19. Financial Instruments

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

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

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

Pension assumptions: Included in the financial statements is an asset in respect of the University's share of the LGPS pension balance. This is calculated by an independent actuary who predict the potential outlay required pensions become payable to retired employees. This prediction is based on a large number of estimates driven by market data. The University in agreement with the auditors decided not to recognise this as an asset on the balance sheet.

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

Notes to the Accounts
Year Ended 31 July 2023

		Year Ended 31 July 2023		Year Ended 31 July 2022	
		Consolidated	Institution	Consolidated	Institution
		£'000	£'000	£'000	£'000
1	Tuition fees and education contracts				
	Full-time home and EU students	20,289	20,289	20,984	20,984
	Full-time international students	87	87	68	68
	Part-time students home and EU students	388	388	507	507
	Research Training Support Grant	0	0	0	0
		20,764	20,764	21,559	21,559
2	Funding body grants				
	Recurrent grant	1,168	1,168	1,058	1,058
	Office for Students				
	Office for Students Capital Grant	426	426	-	-
	Research England	463	463	206	206
	Education and Skills Funding Agency	0	0	0	0
		2,057	2,057	1,264	1,264
3	Research grants and contracts				
	Research councils	0	0	0	0
	Government (UK and overseas)	0	0	0	0
	Industry and commerce	0	0	0	0
	Other research grants and contracts	94	94	104	104
		94	94	104	104

Notes to the Accounts

Year Ended 31 July 2023

4 Details of Grant and Fee Income

Grant Income from the Ofs	1,168	1,168	1,058	1,058
Grant Income from Other Bodies	463	463	206	206
Fee Income for Taught Awards (exclusive of VAT)	20,091	20,091	20,791	20,791
Fee Income for Research Awards (exclusive of VAT)	94	94	104	104
Fee Income from Non Qualifying courses (exclusive of VAT)	1,099	1,099	768	768
Total Grant and Fee Income	22,915	22,915	22,927	22,927

5 Other income

Residences, catering and conferences	2,945	2,945	2,665	2,665
Sports Centre	733	733	615	615
Other capital grants	-	-	3,526	3,526
Other income	2,902	2,902	2,289	2,289
	6,580	6,580	9,095	9,095

6 Investment income

Other investment income	85	85	49	49
	85	85	49	49
Total income	29,580	29,580	32,071	32,071

Notes to the Accounts
Year Ended 31 July 2023

7. Staff costs

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Staff Costs				
Salaries	11,577	11,577	10,920	10,920
Social security costs	1,139	1,139	995	995
Other pension costs	3,106	3,106	4,612	4,612
Sub-total	15,822	15,822	16,527	16,527
Restructuring costs	277	277	157	157
Total	16,099	16,099	16,684	16,684

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

	Prof C Taylor 09/05/23- 31/07/23	Prof M Jones 01/01/22 08/05/23	Prof R Warner 01/08/22 31/12/22	31 July 2023	31 July 2022
	£'000	£'000	£'000	£'000	£'000
Total remuneration of the head of the institution					
Basic salary	41	51	107	199	222
Performance-related pay and other bonuses			5	5	0
Employer's NI	6	6	19	31	31
Pension Contributions and payments in lieu of contributions	10	12	22	44	37
Other Benefits – Accommodation Allowance	6	-	-	6	-
	63	69	153	285	290

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

The remuneration package provided to the Vice-Chancellor includes salary and pension costs only. The salary for the Vice-Chancellor was set in April 2022 by Remuneration Committee, without the Vice-Chancellor in attendance. The salary is determined by taking account of the size of the institution and the considerable improvement in performance seen within the year. The Remuneration Committee seeks comparative information on salaries and other emoluments and conditions in the sector from the Universities and Colleges Employers' Association (UCEA) to inform decisions and ensure that all arrangements are unambiguous and diligently recorded. Comparative data is also taken from post 92 universities and Higher Education Corporations (HECs) by institutional income in the £24m – £70m bracket. Mission group data from Guild HE is also used as a comparator, where available.

Notes to the Accounts

Year Ended 31 July 2023

7. Staff costs (cont)

- a. The Vice-Chancellor's basic salary is 6.2 times the median pay of staff (2022 8.4 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by a provider to its staff.
- b. The Vice-Chancellor's total remuneration is 8.4 times the median total remuneration of staff (2022 8.7 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

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

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

Basic salary per annum	31 July 2023		31 July 2022	
	Consolidated	Institution	Consolidated	Institution
	No.	No.	No.	No.
£110,000 - £114,999	0	0	1	1
£120,000 - £124,999	1	1	0	0
£180,000 - £184,999	1	1	0	0
£190,000 - £194,999	0	0	1	1
	2	2	2	2

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

	Year ended		Year ended	
	31 July 2023		31 July 2022	
Average staff numbers by major category	No	FTE	No	FTE
Academic	269	122	324	119
Management & specialist	6	6	7	7
Technical	35	19	69	25
Other	440	179	388	177
Total Number of staff	750	326	788	328

Other staff consists of all Professional Services support staff across the University.

Notes to the Accounts
Year Ended 31st July 2023

7. Staff costs (cont)

Key Management Personnel

The key management personnel of the University comprise the Executive Leadership Team as listed on page 9.

The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for services to the University was as follows:

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Key management personnel compensation (this represents pay including employer pension contributions and employer national insurance contributions)	966	1,030

Notes to the Accounts
Year Ended 31 July 2023

	Notes	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
8 Interest and other finance costs					
Loan interest		514	514	554	554
Unwind of discount on USS pension provision		0	0	0	0
Net cost on pension scheme	23	33	33	271	271
		547	547	825	825

9 Analysis of other operating expenditure by activity

Academic Departments		5,816	5,816	6,799	6,799
Administration and central services		1,381	1,381	1,386	1,386
Premises (including service concession cost)		2,696	2,696	2,605	2,605
Residences, catering and conferences (costs)		1,417	1,417	1,108	1,108
Other expenses		1,824	1,824	1,506	1,506
		13,134	13,134	13,404	13,404

Other operating expenses include:

Operating lease rentals					
Land and buildings		63	63	54	54
Other		34	34	33	33
External auditors remuneration in respect of audit services		48	48	39	39

Access and Participation

Access Investment		832	832	849	849
Financial Support		231	231	209	209
Disability Support		0	0	0	0
Research and Evaluation		63	63	78	78
Total Access and Participation costs		1,126	1,126	1,136	1,136

£721k of these costs are already included in the overall staff costs figures included in the financial statements, see note 6. This is allocated:

	Year Ended 31 July 2023	Year Ended 31 July 2022
Access Investment	672	650
Disability Support	0	0
Research and Evaluation	49	63
	721	713

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

Notes to the Accounts
Year Ended 31 July 2023

10 Tangible Assets

Consolidated	Freehold Land and Buildings	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2022	32,777	25,445	4,100	62,322
Additions	0	0	3,197	3,197
Transfers	2	5,270	(5,272)	0
Disposals	0	(124)	(102)	(226)
At 31 July 2023	32,779	30,591	1,923	65,294
Depreciation				
At 1 August 2022	10,700	14,785	0	25,485
Charge for the year	592	1,665	0	2,257
Disposals	0	(85)	0	(85)
At 31 July 2023	11,292	16,365	0	27,657
Carrying amount				
At 31 July 2023	21,487	14,226	1,923	37,637
At 31 July 2022	22,077	10,660	4,100	36,837
Institution				
Cost and valuation				
At 1 August 2022	32,794	25,355	4,100	62,249
Additions	0	0	3,197	3,197
Transfers	2	5,270	(5,272)	0
Disposals	0	(124)	(102)	(226)
At 31 July 2023	32,796	30,501	1,923	65,220

Notes to the Accounts
Year Ended 31 July 2023

Depreciation

At 1 August 2022	10,700	14,694	0	25,394
Charge for the year	592	1,665	0	2,257
Disposals	0	(85)	0	(85)
At 31 July 2023	11,292	16,274	0	27,566

Carrying amount

At 31 July 2023	21,504	14,227	1,923	37,654
At 31 July 2022	22,094	10,661	4,100	36,855

Notes to the Accounts
Year Ended 31 July 2023

10 Tangible Assets (cont)

At 31 July 2023 freehold land and buildings included £3,884k (2022 £3,884k) in respect of freehold land and is not depreciated. A full valuation of the University's land and buildings was carried out on 27 April 2015 by Vickery Holman who are an independent valuation firm. This valuation was carried out in accordance with RICS Appraisal and Valuation Standards issued by the Royal Institution of Chartered Surveyors. The valuation has been taken as deemed cost as at 1st August 2014, this is permitted under FRS102 as a transition exemption and a policy of revaluation does not need to be adopted going forward

11 Non-Current Investments

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Investment in subsidiaries	0	0	0	0
Other investments (a)	894	894	1,522	1,522
	894	894	1,522	1,522

The University holds 100 Ordinary shares of £1 each, which represents 100% of the share capital of Marjon (South West) Limited, a company incorporated in England. The principal activity of Marjon (South West) Limited in 2013-14 was the provision of catering services. In 2014-15 these activities were carried through the University. Since then Marjon (South West) Limited has been dormant.

Marjon (South West) Limited has net liabilities of £88k (2022 £88k) and the results have been consolidated into these financial statements.

(a) Other investments

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
At 1 August 2022	1,522	1,522	1,727	1,727
Additions	164	164	131	131
Disposals	(545)	(545)	(136)	(136)
Fair Value adjustments	(247)	(247)	(200)	(200)
At 31 July 2023	894	894	1,522	1,522

The historic cost of the quoted investments was £807k (2022 £1,184k).

Notes to the Accounts
Year Ended 31 July 2023

12 Stock

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
General consumables	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

13 Trade and other receivables

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Other trade receivables	2,999	2,999	2,217	2,217
Amounts due from subsidiary companies	0	89	0	89
Other receivables	512	512	359	359
Prepayments and accrued income	2,183	2,183	1,422	1,422
	<u>5,694</u>	<u>5,783</u>	<u>3,998</u>	<u>4,087</u>

14 Creditors: amounts falling due within one year

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Secured loans	565	565	540	540
Trade payables	1,333	1,333	816	816
Social security and other taxation payable	588	588	533	533
Other creditors	430	430	425	425
Accruals and deferred income	2,315	2,315	1,219	1,219
	<u>5,231</u>	<u>5,231</u>	<u>3,533</u>	<u>3,533</u>

Notes to the Accounts Year

Ended 31 July 2023

15 Deferred income

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

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Research grants received on account	41	41	107	107
Other income	1,079	1,079	170	170
	<u>1,120</u>	<u>1,120</u>	<u>277</u>	<u>277</u>

16 Creditors: amounts falling due after more than one year

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Deferred income	120	120	135	135
Secured loans	7,055	7,055	7,616	7,616
	<u>7,175</u>	<u>7,175</u>	<u>7,751</u>	<u>7,751</u>

17 Loans

Analysis of secured and unsecured loans:

Due within one year or on demand	561	561	537	537
Due between one and two years	465	465	562	562
Due between two and five years	1,543	1,543	1,467	1,467
Due in five years or more	5,047	5,047	5,587	5,587
Due after more than one year	7,055	7,055	7,616	7,616
Total secured and unsecured loans	<u>7,616</u>	<u>7,616</u>	<u>8,153</u>	<u>8,153</u>
Investors loan repayable by 2023	120	120	237	237
Secured loan repayable by 2022	0	0	0	0
Secured loans repayable by 2036	7,496	7,496	7,916	7,916
	<u>7,616</u>	<u>7,616</u>	<u>8,153</u>	<u>8,153</u>

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

Notes to the Accounts Year

Ended 31 July 2023

The estate development and capital development bank loan is secured on the Peninsula Allied Health Centre (PAHC). The investors' loan is secured on 36 rooms within University accommodation buildings.

The capital development loan carries interest at 5.5% and is repayable over 15 years commencing November 2005. The repayment and interest costs associated with this loan are completely covered by rental income received from Plymouth University for use of the premises built with the capital development loan. This loan was cleared during the year ended 31 July 2022.

The investors' loan carries interest at an effective rate of 10.3% per annum and is repayable over 25 years commencing in December 1998. The loan is also secured on a bank deposit account holding £201k (2022 £235k) included in cash at bank and in hand. The bank deposit account is a fund for the repayment of the BES loan (see note 17) which is the nature of the security. The University cannot access these funds without the consent of Magarch Ltd.

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

18 Business Expansion Scheme

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

The University is now the majority shareholder of Marjon Tenancies 1 Limited however the results of this entity have not been included in these consolidated financial statements. This is because the University considers that the substance of the relationship is to raise finance for the construction of student accommodation, therefore the University make repayments each year to repurchase the shares in Tenancies. These payments are treated as the repayment of the loan balance. In December 2023 Marjon will own 100% of Marjon Tenancies 1 Limited.

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

Notes to the Accounts

Year Ended 31st July 2023

19 Provision for Liabilities

Consolidated	Obligation to fund deficit on USS Pension	Defined Benefit Obligations (Note 21)	Total Pensions Provisions
	£'000	£'000	£'000
At 1 August 2022	(25)	(1,355)	(1,380)
Additions in 2022/23	-	8,424	8,424
Pension Surplus not recognised		(7,069)	(7,069)
At 31 July 2023	(25)	-	(25)

Institution	Obligation to fund deficit on USS Pension	Pension scheme provision under FRS102	Total Pensions Provisions
	£'000	£'000	£'000
At 1 August 2022	(25)	(1,355)	(1,380)
Additions in 2022/23	-	8,424	8,424
Pension Surplus not recognised		(7,069)	(7,069)
At 31 July 2023	(25)	-	(25)

Notes to the Accounts

Year Ended 31st July 2023

20 Consolidated reconciliation of net debt

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Net debt 1 August 2022	98	(827)
Movement in cash and cash equivalents	(2,286)	(1,416)
Other non cash changes	4,035	2,340
Net debt 31 July 2023	1,847	98
Change in net debt	1,749	925

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Cash and cash equivalents	5,769	8,055
Borrowings: amounts falling due in one year		
Secured loans	561	537
Borrowings: amounts falling due after one year	7,055	7,616
Net debt	1,847	98

21 Lease obligations

Total rentals payable under operating leases:

Consolidated and Institution	Year ended 31 July 2023			Total £'000	31 July 2022 £'000
	Land and Buildings	Plant and Machinery	Other leases		
	£'000	£'000	£'000		
Payable during the year	63	0	34	97	87
Future minimum lease payments due:					
Not later than 1 year	38	0	5	43	59
Later than 1 year and not later than 5 years	0	0	12	12	55
Later than 5 years	0	0	0	0	0
Total lease payments due	38	0	17	55	114

22 Capital Commitments

There were no Capital Commitments as at 31st July 2023.

As at 31st July 2022 the University had entered into a legally binding contract to purchase the building known as the Studio School owned by the Department of Education for £1.350m and this was successfully completed in December 2022.

Notes to the Accounts

Year Ended 31 July 2023

23 Pensions

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

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

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

	2022-23	2021-22
	£'000	£'000
Contributions paid to:		
USS	17	23
LGPS	785	802
TPS	1,312	1,087
CoE	<u>7</u>	<u>7</u>
Total contributions	2,121	1,919
Pension FRS102 Charge	<u>985</u>	<u>2,693</u>
Total Pension Costs for the year within staff costs	<u>3,106</u>	<u>4,612</u>

(i) The Universities Superannuation Scheme

The total cost charged to the profit and loss account is £17k.

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

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

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

Notes to the Accounts

Year Ended 31 July 2023

23 Pensions (cont)

Summary of agreed contributions	Employer contributions	Member contributions
From 1 October 2022	21.4% of Salary	9.8% of Salary
From 1 April 2022 in the event that the JNC recommendation is not implemented	23.7% of Salary increasing thereafter every 6 months up to 38.2% of Salary from 1 October 2025	11.0% of Salary increasing thereafter every 6 months up to 18.8% of Salary from 1 October 2025

Further details about the current position in relation to the USS pension scheme can be found in the *Actuarial Valuation Report at 31 March 2023*

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

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

For LGPS, the employer's contribution rate was set, following the 2019 actuarial variation at 16.5% from April 2021 and remained in place until April 2023. The actuarial valuation in 2023 set the contributions from April 2023 to March 2026 at 10.1%. Contributions are generally set to a target of achieve a 100% funding level.

Under the definitions set out in FRS102, the LGPS is a multi-employer defined benefit pension scheme. In the case of the LGPS, the actuary of the scheme has identified the University's share of its assets and liabilities as at 31 July 2023.

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

Assumptions

The financial assumptions used to calculate scheme liabilities under FRS102 are:

	2023	2022
	%pa	%pa
Discount Rate	5.20%	3.40%
Pension increases	2.85%	2.75%
Salary increases	3.85%	3.75%
Inflation assumptions	2.90%	2.40%

Notes to the Accounts
Year Ended 31 July 2023

23 Pensions (cont)

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

	2023	2022
	Years	Years
Current Pensioners		
Males	19.7	21.3
Females	23.1	24.2
Future Pensioners		
Males	20.6	21.7
Females	24.5	25.6

Scheme assets and expected rate of return for LGPS

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

	2023	2022
	£000	£000
Equities	20,374	18,727
Target Return Portfolio	6,181	7,165
Infrastructure	4,332	3,472
Property	3,281	3,240
Cash	523	397
Total	34,691	33,001
	2023	2022
	£000	£000
Estimated assets share for the University	34,691	33,001
Present value of scheme liabilities	(27,617)	(34,351)
Pension Surplus not recognised	(7,069)	-
Present value of unfunded liabilities	(5)	(5)
Net pension liability	-	(1355)

Notes to the Accounts

Year Ended 31 July 2023

23 Pensions (cont)

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

	2023	2022
	£'000	£'000
Current and Past Service cost	1,781	3,602
Administrative expenses	17	40
Net interest on the defined liability	33	271
Total	1,831	3,913

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

	2023	2022
	£'000	£'000
Changes in assumptions underlying the present value of scheme liabilities	10,389	17,666
Return on assets less interest	(141)	1,504
Experience (loss) on defined benefit obligation	(3,660)	(125)
Other actuarial gain	600	0
Change in demographic assumption	2,271	0
Pension Surplus not recognised	(7,069)	-
Actuarial gain / (loss)	2,390	19,045

Movement in the deficit attributable to the University during the year

	2023	2022
	£'000	£'000
Reconciliation of the defined benefit obligation		
Opening defined benefit obligation	34,356	48,231
Service cost	1,774	3,116
Interest cost	1,157	766
Actuarial losses/(gains)	(10,389)	(17,666)
Estimated benefits paid net of transfers in	(1,016)	(1,029)
Contributions to the scheme participants and other employees	346	328
Unfunded pension payments	(2)	(1)
Change in demographic assumption	(2,271)	0
Past service costs, including curtailment	7	486
Experience (gain)/loss on defined benefit obligation	3,660	125
Closing defined benefit obligation	27,622	34,356

Notes to the Accounts
Year Ended 31 July 2023
23 Pensions (cont)

	2023	2022
Reconciliation of the fair values of the scheme assets		
	£'000	£'000
Opening fair value of scheme assets	33,001	30,835
Interest on assets	1,124	495
Return on assets less interest	(141)	1,504
Administrative expenses	(17)	(40)
Contributions by the employer including unfunded	796	909
Contributions to the scheme participants and other employees	346	328
Estimated benefits paid plus unfunded net to transfer in	(1,018)	(1,030)
Other actuarial gain/(loss)	600	0
Closing fair values of fund assets	34,691	33,001
Reconciliation of opening and closing surplus		
	2023	2022
	£'000	£'000
Deficit in the scheme at the beginning of the year	(1,355)	(17,396)
Movement in the year:		
Current service cost	(1,781)	(3,602)
Employers contributions	796	909
Other financial losses	(33)	(271)
Administrative expenses	(17)	(40)
Actuarial gains / (loss)	9,459	19,045
Pension Surplus not recognised	(7,069)	-
Surplus/Deficit in the scheme at the end of the year	-	(1,355)

Notes to the Accounts

Year Ended 31 July 2023

23 Pensions (cont)

(iii) Teachers Pension Scheme

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

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

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

As a result of the latest scheme valuation as at 31 March 2020 employer contributions were increased in September 2019 from a rate of 16.4% to 23.6%. Work on the next Scheme valuation is now complete with the changes to contributions and benefit levels expected taking effect from April 2024. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses.

The actuarial valuation of the TPS pertaining to the financial periods for April 2024 to 2027 was carried out as at 31 March 2020 and in accordance with *The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014* (the Directions). The valuation determines the rate of employer contributions payable and the initial employer cost cap (both of which are set out in the TPS regulations). The Directions also require results relating to scheme liabilities, notional assets and contribution rates to be reported.

The key results of the valuation were:

employer contribution rates were set at 28.6% of pensionable pay, in line with current regulations, plus an additional 0.08% of pensionable pay for the cost of scheme administration

at 31 March 2020, total Scheme liabilities for service of £262.0 billion, and notional assets of £222.2 billion, giving a notional past service deficit of £39.8 billion.

Member contributions vary between 7.4% - 11.7% dependent upon salary.

Further information is also available in the Teachers' Pension Scheme(England and Wales) website.

www.teacherspensions.co.uk/news/public-news/2023/10/valuation-result.aspx

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

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

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

Notes to the Accounts

Year Ended 31 July 2023

23 Pensions (cont)

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

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £1,868m, assessed using the following assumption

An average discount rate of 2.7% p.a.;

RPI inflation of 3.6% p.a. (and pension increases consistent with this);

Increase in pensionable stipends of 3.4% p.a.;

Mortality in accordance with 90% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long-term annual rate of improvement of 1.5%, a smoothing parameter" of 7 and an initial addition to mortality improvements of 0.5% pa.

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

% of pensionable stipends	January 2018 to December 2021	April 2022 to December 2022	From January 2023
Deficit repair contributions	11.9%	7.1%	-

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

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

24 Related Party Transactions

During the year the group entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into and balances outstanding at 31 July 2023, are as follows:

	Income from related party	Expenditure to related party	Balance due from related party	Balance due to related party
	£'000	£'000	£'000	£'000
Marjon Student Union	0	135	0	0
	0	135	0	0
2021/22	0	144	0	0

25 Governors

No Governor has received any remuneration/waived payments from the group during the year (2022 none)

The total expenses paid to or on behalf of 21 Governors was £2.1k (2022 £0.8k to 20 Governors). This represents travel and subsistence expenses incurred in attending The Board meetings, sub-Committee meetings, University and Charity events in their official capacity.



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