

Financial Statements 2012/2013



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President and Principal's Report

The year 2012/13 marked another period of considerable progress for Queen Mary University of London. As a headline statement, the recent publication of two major global ranking surveys has highlighted the major strides made by the institution over the recent period. The QS World University Rankings and the THE World University Rankings for 2013/14 place Queen Mary at 115th and 114th respectively in the world, and 19th and 14th in the UK. Each survey employs a different methodology so it is significant that they provide almost identical assessments of our strength and standing on the international stage.

In reviewing the financial statements for 2012/13, it is pleasing to see that a surplus of almost £9m has been delivered for the year, particularly given the challenging environment in which the sector currently operates. Achieving a surplus is vital to support continued investment in Queen Mary's estate and infrastructure, and is a product of the hard work of colleagues from across the institution during the year. We are conscious that this need for investment will remain significant and therefore we aim over the coming period to increase our surplus positions to ensure the continuing improvement of our estate and infrastructure, thereby meeting the expectations of students, staff, and external partners.

We continue to frame our objectives within the continuum of Knowledge Creation to Knowledge Dissemination. With regard to Knowledge Creation, the financial statements note a slight increase in total income via research grants and contracts, continuing an upward trend over recent years but signalling an area where increased focus is required. Guarding against risk by ensuring a range of income sources is an important element of our strategy and to this end it is welcome that, for example, our research funding sourced from the EU in 2012/13 increased by 27% compared to the previous year. Income from industry also rose but we will look to accelerate this rate of increase over the next period.

Queen Mary has also continued to focus considerable attention on preparing for the next UK-wide assessment of research (the Research Excellence Framework), to which universities will submit in November of this year. We completed our third and final 'dry-run' cycle during 2012/13, which provides a clear perspective on how we are currently placed in all our subject areas. We are now in the process of finalising the specifications of our submission, mindful that our approach to the exercise is a tactical one and is not necessarily representative of our broader research strategy.

Of course the quality of our staff is fundamental to objectives in this area and we continue to work hard to retain and attract the best researchers and also to promote and nurture talent by supporting and strengthening our PhD, post-doctoral and early career researcher cohorts. In this vein it is pleasing to note an increase of 7%¹ in the number of postgraduate research students compared to 2011/12.

Our activity and achievements in the area of Knowledge Dissemination have also been impressive. Provision of a high quality experience is extremely important and we were pleased to note that the last National Student Survey (NSS) showed that Queen Mary students were the most satisfied amongst London's leading research universities. An increase of 17 places to 25th in the UK in the NSS table is pleasing but serves to emphasise that there is still substantial progress to be made. Our figures for employment of graduates are not at the high level we would wish (though our students enjoy some of the highest starting salaries amongst graduates); accordingly, this will be a focus for attention in 2013/14.

Recruitment at undergraduate level for 2012/13 was challenging as

¹ Student numbers are based on population by headcount for all levels and modes of study as at 1 December 2012, with comparisons based on the equivalent data as at 1 December 2011.

the sector adapted to new Government policies in this area, with some disciplines at Queen Mary being particularly affected. It has been very encouraging to see the response of Academic and Professional Services colleagues to this challenge, which resulted in a very substantial increase in applications and improved recruitment at this level for 2013/14. Within the taught postgraduate cohort, numbers have continued to increase in line with our target (as set out in the current Strategic Plan, 2010-2015) of a 100% increase by 2015, with 2012/13 seeing an uplift of 17% on the previous year.

Our overseas student numbers increased in 2012/13, by 6% at undergraduate level and by 26% at taught postgraduate level. This is a pleasing achievement, particularly against the difficult backdrop posed by immigration policies and changes within the year to the structure of the UK Border Agency, but we are mindful of the need to ensure an appropriate balance within our student body and are particularly focused on ensuring that there continues to be appropriate representation from UK students within our taught postgraduate cohort.

Partly in response to the risks associated with recruiting overseas students to our London campuses, we have continued to build our transnational educational activities. The number of undergraduate students being taught outside London has increased by 24% (based on 2012/13 figures) since 2008/09, against a target over the Strategic Plan period of 30%. Work during the year on the development of a new Joint Programme with Nanchang University has allowed the programme to launch and recruit its first students this September, which will make a significant contribution to the achievement of this target.

The financial statements note a significant increase in income from tuition fees, which in part reflects the achievements listed above, but is also a result of the changes to the funding arrangements for the sector, where direct funding grants are being replaced by income that is being channelled through students in the form of loans. The reduction in funding body grants in the statements is also a reflection of this trend. The statements also note an increase in 'other operating income', and while this is welcome, we accept that there is scope for enhancing our performance in this area.

As an institution we are now in the process of developing a new Strategy, which will look to build on some of the achievements highlighted above, while also addressing some of the areas where we can improve further. In part, we will look to secure progress through key initiatives such as the Strategic Alliance with the University of Warwick and our membership of the UCL Partners Academic Health Sciences Centre and Network. We also continue work to build a major Life Sciences initiative in East London, in conjunction with a range of partners from higher education, industry and government. In this context, it is pleasing to note that our Queen Mary Bioenterprises (QMB) Innovation Centre in Whitechapel is now at full capacity, providing a base and support for a number of innovative Life Sciences firms.

We will continue to operate in a way that ensures we can invest sufficiently in our staff and our infrastructure, so that we can realise Queen Mary's full potential and position ourselves as an internationally leading higher education institution. In doing so, we will retain a distinctiveness to our institution that is reflected in our commitment both to our local communities and to widening access to higher education, whilst achieving the highest standards in teaching and research.



**Professor Simon Gaskell, President and Principal
26 November 2013**



Charitable Status and Public Benefit

As an exempt charity regulated by HEFCE, Queen Mary University of London (QMUL) has regard to the Charity Commission's guidance on public benefit and satisfies the 'public interest' test, as summarised and demonstrated below.

Charitable Status of QMUL

Queen Mary University of London was established by Act of Parliament and granting of a Royal Charter in 1989 following the merger of Queen Mary College (incorporated by Royal Charter in 1934) and Westfield College (incorporated by Royal Charter in 1933). The Charter has been revised on a number of occasions: 1995 to reflect the merger of Queen Mary with the Barts and the London School of Medicine and Dentistry; 2008, following QMUL's successful application to the Privy Council for Degree Awarding Powers; July 2010, following a governance review which led to the deletion of the Statutes in their entirety. In 2013 QMUL elected to change its name to Queen Mary University of London and to exercise its degree awarding powers from 2014.

QMUL is an 'exempt charity' under the Charities Act 1993. This status means that QMUL is not required to register directly with the Charity Commission, and in turn is not subject to its direct supervision. However, following the Charities Act 2006, from 1 June 2010 HEFCE became 'principal regulator' of the vast majority of higher education institutions in England, including Queen Mary.

Statement of compliance with Charity Commission guidance and the 'public interest' test

The public interest underpins all aspects of QMUL's mission and activities as a Higher Education Institution. As stated in the Charter:

"The Objects of QMUL shall be to promote, for the public benefit, education, research and scholarship, to provide courses and instruction leading to degrees and other academic awards of the University of London and/or QMUL and to promote and undertake research, and to disseminate the results of such research."

The 'advancement of education', identified as a key charitable criterion in the Charities Act 2006, underpins QMUL's mission as a higher education institution delivering research-led teaching to 17,000 students across a full range of disciplines at undergraduate, taught postgraduate and doctoral level through its three academic faculties. Examples of QMUL's pioneering contribution to education outreach and partnership include:

- its housing and continuing support for the Centre of the Cell in Whitechapel, an educational charity dedicated to inspiring curiosity and learning by connecting science to everyday life. Centre of the Cell is an online resource, a science education centre and outreach project aimed at young people, teachers, families and community groups;
- its co-sponsorship of the Drapers' Academy with the Drapers' Company, a leading City Livery Company with which QMUL has a long-standing partnership and from which it has received significant support. The Academy is located on Harold Hill in the London Borough of Havering and forms a key part of the Harold Hill Learning Village, a major educational initiative by Havering to regenerate an area of the Borough that has experienced high levels of unemployment and poor progression to further and higher education;
- its involvement as lead partner in a National Challenge Trust School

in Tower Hamlets; St Paul's Way Trust School;

- the Queen Mary Legal Advice Centre provides free legal advice to members of the public, students and College staff. The Centre operates for the mutual benefit of clients and students and is committed to enabling students to learn from practical experience.

Ground breaking research at QMUL has a real-world impact supporting a range of charitable criteria. Below are a few examples of the role played by QMUL's research in charitable advancement:

Advancement of health

The EXHALE project in the School of Medicine and Dentistry's Institute for Health Sciences Education is aimed at understanding and improving children's respiratory health through assessment of 8 year old children in Tower Hamlets and Hackney Schools.

The Cancer Research UK Centre at Barts & The London School of Medicine & Dentistry which brings together top-ranked scientists in the medical school with expert clinical teams in the brand new cancer hospital to push forward laboratory discoveries into benefits for patients.

The new Heart Centre, also at Barts & The London School of Medicine & Dentistry, will speed up research from the scientist's bench to the patient's bedside to improve the diagnosis and treatment of cardiovascular disease.

Advancement of equality and diversity

The Centre for Equality and Diversity in the School of Business and Management conducts research underpinned by a commitment to social justice and inclusion in areas including employment relations policies and practices, discrimination, income inequality, labour market migration, professional and low paid work and trade unions.

Advancement of environmental protection or improvement

QMUL's Centre for Aquatic and Terrestrial Environments (CATE) is an interdisciplinary collaboration between the School of Geography and the School of Biological and Chemical Sciences. CATE builds on existing research strengths in areas of environmental research such as hydrology, hydrochemistry, environmental geochemistry, freshwater and marine ecology, terrestrial ecology and conservation.

The work of the ecology and behavioural biology research group in the School of Biological and Chemical Sciences is a major contributor to our understanding of modern eco-systems and animal and insect conservation.

Partnership with London Citizens

As well as work which directly meets the public benefit needs, QMUL also works with London Citizens to develop a community organizing culture and capacity. The School of Geography offers a unique MA in Community Organising which is designed to provide an advanced understanding of the theory, history and practice of community organising in the wider context of contemporary academic debate about social, political and economic change. It provides the intellectual and practical training that postgraduate students require to work as a community organiser, or in a related field. At a broader level it is also designed to strengthen the cadre of community organisers being developed in the UK, through a partnership with Citizens UK.



· MEDICAL ·

· LONDON · HOSPITAL ·

· COLLEGE ·

Bart and The London

Garrod Building

Financial and Operating Review

Highlights

	2012/13 £000	2011/12 £000	Change %
Financials (consolidated)			
Total Income	323,609	302,519	+7%
Total Expenditure	319,737	312,275	+2%
Surplus/(Deficit) Retained within General Reserves	8,942	(9,632)	-
Purchase of Tangible Assets	21,692	28,954	-25%
Increase in Cash (including Endowment Assets)	4,627	4,626	0%
Cash and Short Term Investments	15,715	15,226	+3%
Borrowings	107,291	106,030	+1%
Income Highlights			
Funding Body Grants	87,107	95,265	-9%
Full-time Students Charged Home/EU Fees	51,160	36,657	+40%
Full-time Students Charged Overseas Fees	50,147	39,879	+26%
Research Grants and Contracts	81,272	80,654	+1%
Non-Financial			
Staff Numbers (FTE)	3,488	3,385	+3%
Student Numbers (FTE)			
Undergraduate	13,070	12,913	+1%
Postgraduate	3,663	3,175	+15%
Associate	320	395	-19%
Total	17,053	16,483	+3%
Home	11,422	11,426	0%
Overseas	5,631	5,057	+11%
Total	17,053	16,483	+3%

Financial Review

Overall QMUL generated a retained surplus of £8.9m, a significant improvement on last year's deficit position of £9.6m. This year's result included a £4.7m surplus generated from the sale of off-campus residential accommodation (2011/12 £nil). Overall, income increased 7% year on year with reduced funding body grants being more than offset by increases in tuition fee income. This was driven by the changes to the UK student funding regime, with an additional year of students paying tuition fees, and increases in postgraduate and overseas student numbers.

The undergraduate student numbers include around 2,000 based in China studying on joint degree programmes run in collaboration with the Beijing University of Post and Telecommunications.

Operating costs grew by 2%, with higher staff costs, in line with higher staff numbers, offset by level non-staff costs resulting from tighter cost control.

Income

The recurrent grant that QMUL receives from the Higher Education Funding Council for England (HEFCE) reduced by £8.6m (10%) as funding for teaching moves from central grants to the student. There was a slight increase in specific grants such as the Higher Education Innovation Fund.

Student tuition fees and education contract income grew by £26.7m (32%) due to the funding changes noted above, but also as a result of successful student recruitment with student numbers increasing by 3.5%. Another significant change was the deregulation of recruitment of high performing students with number controls removed from

students achieving A-level scores of AAB or higher. These accounted for 778 students, or 33% of our home/EU undergraduate intake excluding the School of Medicine and Dentistry, where different arrangements apply.

Research grant and contract income increased by £0.6m (1%) with a £3.2m reduction in income from research councils being offset by an additional £2.2m from the EU and £0.9m from central government bodies. Other operating income, deriving from sources other than teaching and research, such as student residences, grew by £2.3m (5%).

Costs

Over 60% of total operating expenditure is staff costs. These increased by £6.2m (3%) which was in line with the change in staff numbers and a general pay award of 1%. The increase in staff reflects higher student numbers and continuing investment in quality research staff. The Higher Education (HE) sector has a widely used benchmark, staff costs as a percentage of income. Our percentage is higher than most at 61% (2011/12 63%). A review is taking place to ensure this is optimal. A project team has also been commissioned to investigate any issues relating to staffing costs and propose measures to ensure we obtain value for money.

Other operating expenses were level, largely as a result of an increased focus on cost control, particularly in certain areas where opportunities to make savings had been identified. Depreciation increased by £1.4m (9%) as a result of investment in fixed assets, as detailed below.

Financial and Operating Review (cont)

Fixed Assets

There were £21.7m of tangible fixed asset additions in the year. The largest area of spend by some margin was that relating to the IT Transformation Programme (£5.6m), a multi-year programme with an estimated total spend of over £23m designed to overhaul our IT infrastructure; key areas of spend in the year were two new data centres, the Queen Mary online learning environment (QMplus) and new equipment under finance leases. Other major projects included refurbishments of the engineering and physics buildings and the new student centre, all of which span more than one year.

We received £5.5m of capital grants in the year (2011/12 £6.8m) with the balance being funded from QMUL funds. There has been a decline in grant funding for capital from HEFCE related to the overall changes in HE funding.

Cash and Debt

Cash balances and short-term deposits, including endowment assets, ended the year at £19.9m (2011/12 £17.2m). This increase reflects higher than expected cash balances and conversion of endowment assets.

Total long term borrowing for QMUL and its subsidiaries stood at £104.1m at 31 July 2013, broadly unchanged from last year (2011/12 £103.5m). £73m of this borrowing is in bank loans, of which £48m is hedged by interest rate swaps to protect against adverse movements on interest rates. These loans are long term, with repayment of the full amount of the principal not due for at least 20 years.

A further £30.8m (2011/12 £28.6m) is in the form of finance leases for equipment to support research and teaching and improvements in the IT infrastructure.

Queen Mary has a £15m revolving credit facility with Barclays, which enables us to more effectively manage our variable cash flows during the year, and further improve our liquidity. This has not been utilised during the year.

QMUL's short term investment of working cash balances is with an approved list of organisations, all of which are required to have strong, externally rated, credit worthiness.

Investments and Treasury Management

Endowment investments stood at £34.1m (2011/12 £30.8m), the growth being due to increases in the market value of investments. Our investment manager is Ruffer LLP.

The investment strategy is a single investment approach – an absolute return. This seeks capital preservation, not to lose money on a rolling annual basis and consistent positive returns, significantly greater than the return from cash.

Other Balance Sheet Movements

Debtor balances increased by £4.3m (12%) due to slightly later receipt of 2011/12 income in relation to our joint programme with the Beijing University of Post and Telecommunications plus an increase in the amount invoiced for 2012/13. In 2011/12 this was received just prior to year end and in the current year just after year end; the timing of the receipt depends on when the Chinese tax authorities authorise payment.

Creditor balances due within one year have risen by £3.6m (4%). This is largely as a result of deferred income on research grants (where we are receiving grants where work is being carried out by partner organisations) and an increase in accruals resulting from initiatives to improve compliance with finance processes.

Cash Flow

Cash balances, including endowment assets, increased by £4.6m (2011/12 £4.6m) and net debt, including short term deposits, reduced by £1.5m (2011/12 increased by £14.2m). Control over expenditure on new capital (down by 26% from £29.0m to £21.7m) and £5.4m of income from the sale of off-campus residences has helped us manage our cash balances.

Operating Review

QMUL tracks a number of performance indicators to monitor performance against the targets set out in the 5 year Strategic Plan 2010-15. This review considers a broad selection of these indicators and looks at our performance over the last 5 years, which are benchmarked against our 2008/09 position, and in relation to our targets for achievement by 2015. The key elements of the strategy are Knowledge Creation and Knowledge Dissemination with a number of Enabling Aims to support them.

Student Numbers

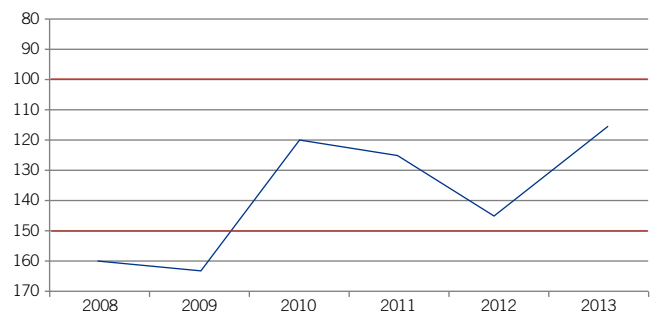
The number of full time equivalent students enrolled during the year increased to over 17,000, of which 13,070 are undergraduates, and 3,663 are post graduate – taught and research.

Of the undergraduates, 2,000 are based in China studying on joint degree programmes run in collaboration with the Beijing University of Post and Telecommunications.

Knowledge Creation

We have several targets around our placement in various higher education league tables. One of the two leading global rankings is the Times Higher Education (THE) world university rankings where we seek to be ranked between 100-150. These rankings are the only global university performance tables to judge world class universities across all of their core missions - teaching, research, knowledge transfer and international outlook.

Placement within the 100-150 group of THE Ranking of World Universities

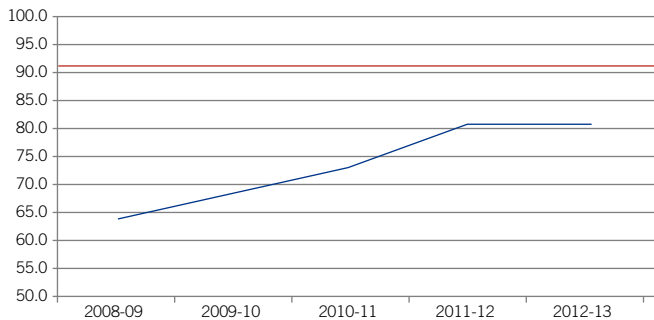


We have been successful in meeting this objective every year that the current strategy has been in place, and it is particularly pleasing that our highest ever ranking has recently been announced in the 2013/14 rankings.

With a score of 88/100, Queen Mary receives a high rating for its international outlook - a category that focuses on diversity on campus for both staff and students and how much a university's academics collaborate with colleagues across the world on research projects. We have also seen the influence of research increase, with a score of 87/100 for research citations, up from 85 last year.

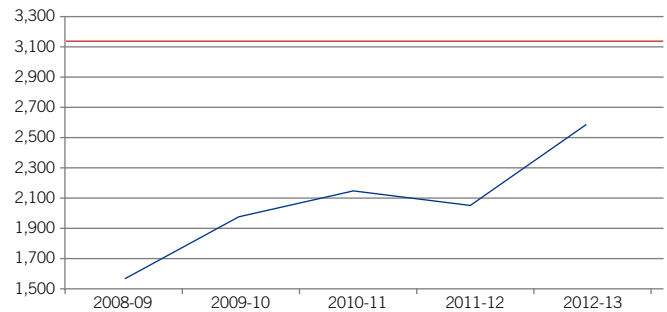
Financial and Operating Review (cont)

Total Research Income (£m)

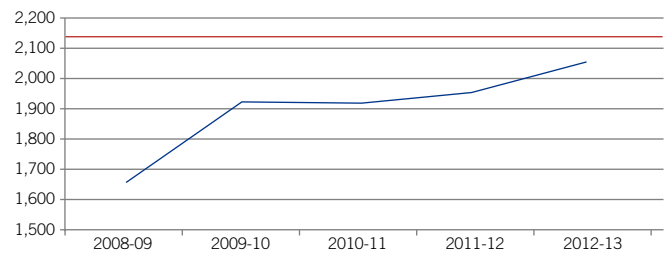


We are targeting a 50% increase in our research income between 2008/09 and 2014/15. We are on track to achieve this and have been strengthening our research staff to ensure that this growth continues.

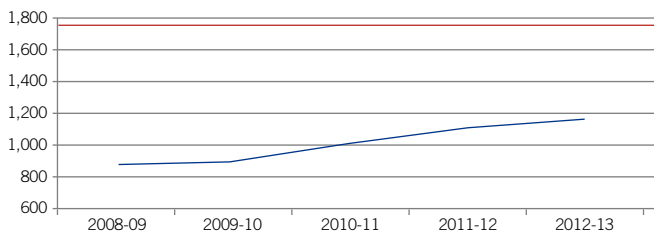
Number of PGT Students



Undergraduate Students Taught Outside the UK



Number of Students Registered for a PhD Degree

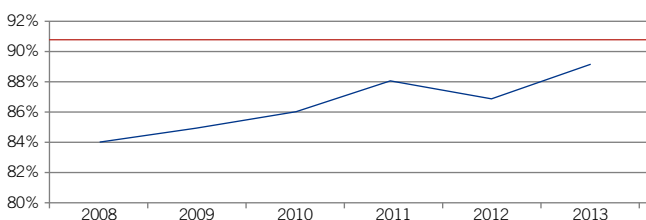


Another performance indicator related to knowledge creation is the number of PhD students, which we are aiming to double by 2015. Although numbers have been increasing steadily we are some way from our target.

Knowledge Dissemination

The National Student Satisfaction Survey (NSS) questions undergraduates on various aspects of their experience including their overall satisfaction, the results of which are of increasingly important consideration to students. The latest scores, released in summer 2013, shows that we have achieved our highest ratings in recent years with an overall satisfaction three points above the national average and the highest amongst the leading research intensive universities in London.

National Student Satisfaction Survey Score



In addition, 10 subject areas were ranked in the top 10 in their respective areas nationally including Finance which was ranked number 1 with 98% satisfaction.

One particular area for focus in terms of student recruitment was the number of students on postgraduate taught (PGT) programmes. We have set ourselves the target of doubling our 2008/09 PGT student numbers by 2014/15 and have made good progress in achieving this.

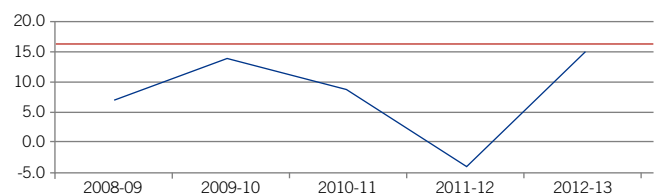
Knowledge dissemination is not just about teaching students here in London but also through collaborative provision overseas. The success of our joint programme with the Beijing University of Posts and Telecommunications and the start of a new joint programme in Nanchang in 2013/14 means that we are well on our way to meeting our objective of increasing the number of undergraduates taught outside the UK by 30%. Further opportunities continue to be explored.

Enabling Aims

In order to support and facilitate our strategic aims we have a number of enabling aims. Three key aims revolve around having a sound financial base to enable us to invest in our future development.

Adequate funds to invest in new initiatives need to be generated for QMUL to be able to invest and grow. One target is therefore a minimum amount of cash that should be generated from our operational activities each year. We have set a target of £16.0m by 2014/15 and are close to achieving this. Cash generated is forecast to increase further over the next two years as our tuition fee and research income rises through the new tuition fee funding arrangements, stronger recruitment and investment in research respectively. The dip in cash generated in the prior year reflected the deficit that was incurred.

Cash Generated from Operations (£m)

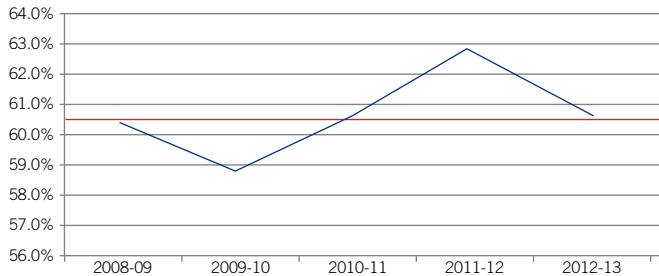


Control of our cost base is fundamental to cash generation and we have decided to seek to cap our staff costs as a percentage of income at our 2008/09 levels. Last year saw this percentage increase, partly due to the recruitment of staff to support new research and also due to

Financial and Operating Review (cont)

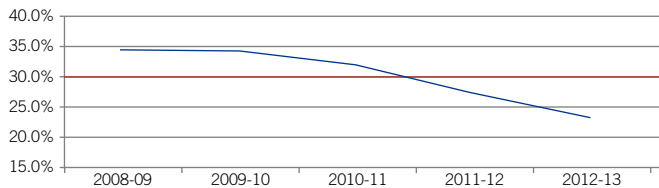
the timing of the withdrawal of central government funding ahead of the new tuition fee regime coming into effect. As we increase our tuition fee income and our investment in research generates more research income the staff cost percentage will fall.

Staff Costs as a Percentage of Income



The changing funding regime for student tuition and increased uncertainty around other income streams means that it is imperative that we diversify our sources of income to minimise our risk. We therefore have a target to reduce our financial dependence on HEFCE, specifically that recurrent HEFCE funds should be no more than 30% of total income by 2015. We are already achieving this.

Recurrent HEFCE Funds as a Percentage of Total Income



Staff

Queen Mary senior leadership keeps in regular contact with staff through publicised open meetings with the President and Principal, newsletters and through local meetings. We engage with a number of key stakeholders throughout the year. Regular union consultations are held with Unison, the University and College Union (UCU) and Unite at the Joint Consultative Forum (JCF), held each semester, and meetings are held throughout the year to discuss major restructurings to ensure staff views are represented in any proposed changes. The Students' Union is represented on many committees, including Council, Senate, Estate and Service Committee and the Equality and Diversity Steering Group. Communication is undertaken with HEFCE, as our lead government funding body, throughout the year in addition to the Annual Monitoring process.

We encourage staff participation and collaboration with other universities and through Higher Education networks.

Queen Mary had a number of achievements in 2012/13 in terms of equality and diversity. The School of Biological and Chemical Sciences received the first Athena SWAN (charter to advance women's career in science, technology, engineering, mathematic and medicine – STEM) silver award and four others received a bronze or equivalent award. We held our first Diversity Fortnight which comprised 12 events covering all the protected groups. We increased our scoring and ranking in the Stonewall Workplace Equality Index. All our schools and departments had equality objectives for the year.

A full set of HR KPIs are being developed and will be reported in the next financial year to the Queen Mary Senior Executive team (QMSE) and Council.

Pension Funds

Our employees are mostly members of the Universities Superannuation Scheme (USS), the Superannuation Arrangements of the University of London (SAUL) scheme or the NHS Pension Scheme. All of these are pooled defined benefit schemes so it is not possible to identify the share of assets and liabilities that relate to QMUL and consequently these are not shown in the balance sheet. Changes to limit the increase in liabilities and consequent escalation of costs to Queen Mary have been implemented by USS and SAUL, and this is particularly important in light of the introduction of pensions auto-enrolment in May 2013.

Outlook

The outlook for 2013/14 remains challenging, with on-going uncertainties in the sector around:

- The level of public funding
- Student recruitment and retention
- Dependency on overseas fees, especially for growth
- Pay and pension contributions
- The need to fund investments from debt finance
- Competition from private HE providers

Our forecasts for the next three years are to grow our student numbers, particularly on our postgraduate taught programmes. A key focus is on developing a major Life Sciences centre, building on existing strengths at QMUL in areas such as medicine and biological and chemical sciences, as well as developing other strategic partnerships. The construction of a new graduate centre and refurbishment of the Fogg building (home of the School of Biological and Chemical Sciences) are other major capital projects.

This growth, together with the impact of having a higher proportion of students on the new tuition fee regime and a focus on cost control across QMUL, means that we are anticipating that our net surpluses will increase in the medium term. We are in the process of rewriting our 5 year strategy, recognising that the changes in the HE environment in the UK mean that the landscape against which our existing strategy was set is significantly different.

Auditors

A resolution for the re-appointment of PricewaterhouseCoopers LLP as auditors of QMUL is to be proposed at the Council Meeting.



Statement of Corporate Governance and Internal Control

Queen Mary University of London endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life. QMUL's Governing Body, is guided by but not limited by the Committee of University's Chairs' (CUC) governance code of practice and general principles within the CUC Guide for Higher Education Governing Bodies in the UK issued in 2009. QMUL's practices are consistent with the provisions of the code.

Constitution and Governing Body

Queen Mary is formed by Royal Charter. The Charter and Ordinances constitute the instruments of QMUL's governance, the principles and provisions of which are amplified in the Ordinances. Queen Mary as with any other chartered institution requires Privy Council approval to revise the Charter.

The Charter establishes Queen Mary's Council and Senate, each with clearly defined functions and responsibilities detailed in the Ordinances, to oversee and manage its activities.

The Council is QMUL's governing body and is responsible for the strategic oversight of the institution. Its specific responsibility includes approval of the financial strategy and securing its assets. The Council comprises a majority of external members whose principal role is to bring independent expertise from a range of sectors and professional spheres and to hold, collectively, the Executive to account. A Governance Committee exists, with a majority of external members, to recommend nomination to the Committees of Council and so fulfils the roles and expectations of a nominations committee within the CUC guidance.

The Chairman of Council is required to be elected from among the external members of Council. There is also provision for the election of members of the academic staff, and representatives of other staff groups, to Council and for a Students Union representative. No members of the Council receive remuneration for their role, apart from staff members and the QMSU sabbatical solely in the context of their employment. Details of membership of Council and its committees are set out as the final page of these financial statements.

Subject to the overall superintendence of the Council, the Senate has oversight of the academic affairs of Queen Mary and draws its membership entirely from academic staff and students, with a majority of elected representatives. It is particularly concerned with issues relating to academic policy, setting and maintaining academic standards, the quality of the student experience and academic freedom.

The Role of the President and Principal

The President and Principal is appointed by the Council as chief academic and accounting officer to head Queen Mary. The President and Principal is accountable to the Council for the organisation, direction and management of QMUL. Under the terms of the Financial Memorandum between Queen Mary and the Higher Education Funding Council for England (HEFCE), the President and Principal is the designated officer of QMUL and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.

The President and Principal exercises considerable influence upon the development of QMUL strategy, the identification and planning of new developments and the shaping of QMUL ethos. The President and Principal is assisted in this by the Senior Executive comprising the Senior Vice Principal, Vice Principal & Executive Dean (Health), Vice Principal & Executive Dean (Humanities and Social Sciences), Vice Principal & Executive Dean (Science and Engineering), Vice Principal (Teaching and Learning), Vice Principal (Research), Vice Principal (External Partnerships and Public Engagement) and Chief Strategy

Officer.

Committees of Council

Although the Council meets up to six times in each academic year, much of its detailed work is handled initially by committees, in particular Finance and Investment Committee and Audit and Risk Committee. The decisions of all of these committees are reported formally to the Council.

The Finance and Investment Committee focuses on oversight of the Senior Executive's planning and management of finance, investments and assets of QMUL. It has particular remit in relation to providing advice and recommendations to Council, or reviewing/monitoring and approving on behalf of Council, in respect of the following:

- Recommend to Council a Finance strategy
- Recommend to Council the annual budgets and financial forecasts
- Monitor the financial situation of QMUL, both capital and revenue
- Advise Council on plan and budgets produced by QMUL's Senior Executive for large capital projects
- Consider proposals affecting major Queen Mary assets, in particular the estate
- Approve QMUL's value for money strategy
- Approve a strategy for borrowing, investment of funds and raising of monies

The Audit and Risk Committee oversees QMUL's procedures for external audit, internal audit, financial control and risk management, and provides assurances in these key areas through its annual report to Council which is copied to HEFCE. More specifically, the Committee will:

- Oversee external and internal audit services, including receiving reports and recommendations from both on the results of their work
- Review the effectiveness of QMUL's systems for submission of regulatory returns, financial control, value for money and alleged financial irregularities
- Review the effectiveness of mechanisms operated by the Senior Executive for identifying, assessing and mitigating risks

The categories of membership of the Finance and Investment and Audit and Risk Committees are laid down by Ordinance.

The Financial Statements are adopted by Council following review by Finance & Investment Committee and on the recommendation of the Audit and Risk Committee after it has received a report from the External Auditors.

There is a Remuneration Committee which acts within the principles of the CUC guidance.

Responsibilities of the Council

QMUL maintains a Register of Interests of members of the Council and of members of the senior executive which is published on the Council and Governance web pages (www.qmul.ac.uk).

In accordance with the Charter and Ordinances of QMUL, the Secretary to Council provides independent advice on matters of governance to all Council members.

Council is responsible for the appointment of the Auditors and approval of the Annual Accounts which are prepared in accordance with the Statement of Recommended Practice on Accounting in Higher Education Institutions and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between HEFCE and the Council of Queen Mary, the Council, through its designated office holder, the President

Statement of Corporate Governance and Internal Control (cont)

and Principal, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of QMUL and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Council is assured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- the financial statements are prepared on the going concern basis unless it is inappropriate to presume that QMUL will continue in operation. The Council is satisfied that it has adequate resources to continue in operation for the foreseeable future; for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

So far as the Council is aware, there is no relevant audit information of which the QMUL auditors are unaware. Relevant information is defined as information needed by QMUL's auditors in connection with preparing their report.

The Council, through its designated officer, the President and Principal, has taken reasonable steps to:

- ensure that funds from HEFCE are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which HEFCE may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of QMUL and prevent and detect fraud; and
- secure the economical, efficient and effective management of QMUL's resources and expenditure.

The key elements of QMUL's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definition of the responsibilities of, and the authority delegated to, heads of academic and administrative departments;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Council;
- comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Finance and Investment Committee under delegated authority from Council;
- internal audit carried out by an external firm of auditors. The programme is approved by the Audit and Risk Committee; and
- regular reviews of financial performance involving variance reporting, sensitivity analysis and updates of forecast out-turn.

Internal Controls

The Council has established processes to comply with the revised direction from HEFCE for the identification, evaluation and management of risks Queen Mary faces. These processes have been in place throughout the year under review and to the date of approval of the annual report and financial statements. The following is a statement of QMUL's internal control and risk management policy:

- The Council has responsibility for maintaining an effective system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which the Council is responsible, in accordance with the responsibilities assigned to the Council in the Charter and the Financial Memorandum with HEFCE.
- The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.
- The system of internal control is based on a continuing process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically.
- The Council receives periodic reports from the Chairman of the Audit and Risk Committee concerning internal control. The appropriate committees of the Council receive reports from the Senior Executive on the steps QMUL is taking to manage risks in their areas of responsibility, including progress reports on key projects.
- During the year under review QMUL has:
 - a. Continued carrying out "deep dive" assessments of particular areas within Queen Mary including IT, Estates and Marketing. These look at risk monitoring at an operational level and consider how it links to the strategic risk register. For each a senior staff member, such as the Director for IT or Estates, will discuss how that department monitors risks, citing case studies as well as demonstrating that the controls in place to mitigate risks and ensure success were based on analysis and evidence.
 - b. As well as continuing our monitoring of the existing risk register, which is aligned to our current strategic plan we have started to review which strategic risks should be monitored in line with the emerging strategic plan from 2014.
- QMUL procures its internal audit service from KPMG, which operates to standards defined in the revised HEFCE Audit Code of Practice. The work of the internal audit service is informed by an analysis of risks to which QMUL is exposed, and annual internal audit plans are based on this analysis. The Council endorses the analysis of risks and the internal audit plans on the recommendations of the Audit and Risk Committee. At least annually the head of internal audit provides the Audit and Risk Committee with a report on internal audit activity in QMUL. The report includes the head of internal audit's independent opinion on the adequacy and effectiveness of QMUL's system of internal control, including internal financial control.
- The Council's review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within QMUL who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.
- The Audit and Risk Committee followed a programme reviewing compliance risks by way of receiving reports from those responsible for those risks.



Report of the Independent Auditors

Independent auditors' report to the Council of Queen Mary University of London

We have audited the group and QMUL financial statements (the "financial statements") of Queen Mary University of London for the year ended 31 July 2013 which comprise the Consolidated Income and Expenditure Account, the Consolidated and QMUL Balance Sheets, the Statement of Consolidated Total Recognised Gains and Losses, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of the Council and auditors

As explained more fully in the Responsibilities of Council Statement set out on pages 13-14 the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Council as a body in accordance with the Charters and Statutes of QMUL and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and QMUL's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Financial and Operating Review to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and QMUL's affairs as at 31 July 2013 and of the group's income and expenditure, recognised gains and losses and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education.

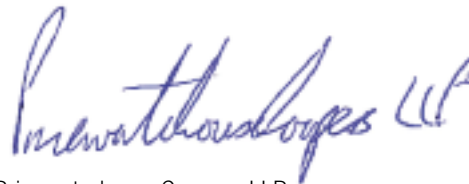
Opinion on other matters prescribed in the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds from whatever source administered by QMUL for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation; and
- funds provided by HEFCE have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them.

Matters on which we are required to report by exception

We have nothing to report in respect of where the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992 requires us to report to you if, in our opinion the statement of internal control included as part of the Corporate Governance Statement and Internal Control is inconsistent with our knowledge of QMUL and group.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London



Consolidated Income and Expenditure Account for the year ended 31 July 2013

	<u>Note</u>	<u>2013</u> £000	<u>2012</u> £000
Income			
Funding body grants	2	87,107	95,265
Tuition fees and education contracts	3	109,386	82,708
Research grants and contracts	4	81,272	80,654
Other income	5	45,129	42,813
Endowment and investment income	6	715	1,079
Total income		323,609	302,519
Expenditure			
Staff costs	7	196,104	189,896
Other operating expenses	8	104,043	104,000
Depreciation	11	16,845	15,411
Interest and other finance costs		2,745	2,968
Total expenditure	9	319,737	312,275
Surplus/(deficit) for the year after depreciation of tangible fixed assets at valuation and before tax		3,872	(9,756)
Share of operating profit in a joint venture		0	6
Share of operating (loss) in associates	13	(184)	(142)
Taxation	10	18	14
Surplus/(deficit) before exceptional items		3,706	(9,878)
Sale of fixed assets	11	4,712	0
Surplus/(deficit) on continuing operations after depreciation of assets at valuation, disposal of assets and tax		8,418	(9,878)
Deficit for the year transferred to accumulated income in endowment funds	20	524	246
Surplus/(deficit) for the year retained within general reserves	31	8,942	(9,632)

Results for the year and the previous year, as set out above, are derived entirely from continuing operations

Statement of Group Historical Cost Surpluses and Deficits for the year ended 31 July 2013

	<u>Note</u>	<u>2013</u> £000	<u>2012</u> £000
Surplus/(deficit) on continuing operations before taxation and exceptional items		3,688	(9,892)
Difference between historical cost depreciation and actual depreciation charge for the year calculated on re-valued fixed assets	21	163	166
Historical cost surplus/(deficit) for the year before taxation and exceptional items		3,851	(9,726)
Retained historical cost surplus/(deficit) after taxation and before exceptional items		3,869	(9,712)

The notes on pages 22 to 41 form part of these financial statements

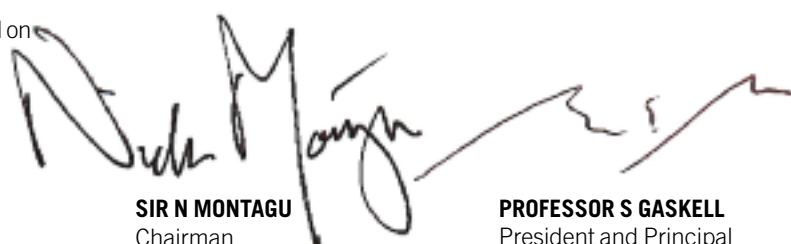
Balance Sheets

at 31 July 2013

	Note	Consolidated		QMUL	
		2013 £000	2012 £000	2013 £000	2012 £000
Fixed assets					
Tangible assets	11	397,076	392,937	390,988	385,088
Investments	12	4,213	3,270	7,729	6,786
Investments in associates	13	115	117	1	1
		401,404	396,324	398,718	391,875
Endowment assets	14	34,072	30,829	34,001	30,696
Current assets					
Stocks		251	349	251	349
Debtors	15	39,821	35,549	40,947	38,556
Investments (short term deposits)		0	1,880	0	1,880
Cash at bank and in hand		15,715	13,346	14,552	11,734
		55,787	51,124	55,750	52,519
Creditors: amounts falling due within one year	16	(89,119)	(85,522)	(91,673)	(87,633)
Share of net liabilities in associates	13	(570)	(508)	0	0
Net current liabilities		(33,902)	(34,906)	(35,923)	(35,114)
Total assets less current liabilities		401,574	392,247	396,796	387,457
Creditors: amounts falling due after more than one year	17	(104,573)	(104,794)	(87,592)	(87,813)
Net assets excluding pension liability		297,001	287,453	309,204	299,644
Pension liability	28	(187)	(509)	(187)	(509)
Net assets including pension liability		296,814	286,944	309,017	299,135
Deferred capital grants	19	186,259	189,004	181,422	183,672
Endowment funds					
Expendable	20	10,889	10,022	10,818	9,889
Permanent	20	23,183	20,807	23,183	20,807
		34,072	30,829	34,001	30,696
Reserves					
Income and expenditure account excluding pension liability		63,988	54,882	81,327	72,659
Pension reserve	28	(187)	(509)	(187)	(509)
Income and expenditure account including pension liability		63,801	54,373	81,140	72,150
Revaluation reserve	21	12,454	12,617	12,454	12,617
Other reserves		228	121	0	0
Total Reserves		76,483	67,111	93,594	84,767
Total Funds		296,814	286,944	309,017	299,135

The notes on pages 22 to 41 form part of these financial statements

The financial statements on pages 18 to 41 were approved by Council on 26 November 2013 and signed on its behalf by:



SIR N MONTAGU
Chairman

PROFESSOR S GASKELL
President and Principal

Statement of Consolidated Total Recognised Gains and Losses for the year ended 31 July 2013

	<u>Note</u>	<u>2013</u> £000	<u>2012</u> £000
Surplus/(deficit) on continuing operations after depreciation of fixed assets at valuation, disposal of assets and tax		8,418	(9,878)
Add			
Currency translation on net foreign investment		2	3
Revaluation of investments		105	41
New endowments	20	198	233
Revaluation of endowment investments	20	3,796	(2,570)
Management fee charged to endowment funds	20	(301)	(235)
Repayments of student benevolence loans	20	74	62
Actuarial adjustment on defined benefit pension scheme	28	323	(83)
Total recognised gains/(losses) relating to the year		12,615	(12,427)
Reconciliation			
Opening reserves and endowments		97,940	110,367
Total recognised gains and losses relating to the year		12,615	(12,427)
Closing reserves and endowments		110,555	97,940

The notes on pages 22 to 41 form part of these financial statements

Consolidated Cash Flow Statement

for the year ended 31 July 2013

	<u>Note</u>	<u>2013</u>	<u>2012</u>
		£000	£000
Net cash inflow from operating activities	23	15,709	14,549
Returns on investments and servicing of finance	24	(2,028)	(1,886)
Capital expenditure and financial investment	25	(8,501)	(24,335)
Management of liquid resources	27	1,880	16,821
Financing	26	(2,433)	(523)
Increase in cash	27	4,627	4,626

Reconciliation of net cash flow to movement in net debt

Increase in cash for the year	27	4,627	4,626
Change in short term deposits	27	(1,880)	(16,821)
Repayment of bank loans and finance leases	27	(2,433)	(523)
New finance leases	27	(3,684)	(2,496)
Change in net debt		1,496	(14,168)
Net debt at 1 August		(88,508)	(74,340)
Net debt at 31 July	27	(87,012)	(88,508)

The notes on pages 22 to 41 form part of these financial statements

Notes to the financial statements

1. Accounting Policies

The following accounting policies have been applied consistently by both QMUL and subsidiaries in dealing with items which are considered material in relation to QMUL's financial statements.

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of certain tangible assets and investments and in accordance with both the Statement of Recommended Practice on Accounting in Further and Higher Education Institutions 2007 (SORP), and applicable Accounting Standards in the United Kingdom.

Basis of consolidation

The financial statements consolidate the financial statements of QMUL and its subsidiaries and associated undertakings for the financial year ended 31 July 2013.

The consolidated income and expenditure account includes the results of QMUL subsidiaries and the share of profits, losses and taxation of associated undertakings. Intragroup transactions are eliminated on consolidation. Details of the investments made in these companies are presented in notes 12 and 13.

The consolidated financial statements do not include those of the Queen Mary and Westfield College Students Union because it is an independent association with separate control. The grant to the Students Union is disclosed in note 8.

Recognition of income

- i. Funding body block grants are accounted for in the year to which they relate.
- ii. Fee income is credited to the income and expenditure account over the period in which students are studying. Where the amount of the tuition fee is reduced by a discount for prompt payment income received is shown net of the discount. Bursaries paid to students are accounted for gross as expenditure and not deducted from income. Scholarships which reduce the tuition fees payable and fee waivers are deducted from tuition fee income.
- iii. Income from sponsored research grants and contracts is accounted for on an accruals basis and included to the extent that direct expenditure and recoverable overheads were incurred during the year. Any payments received in advance of performance are recognised in the balance sheet as liabilities. Funds QMUL receives and disburses as paying agent for the grant giving body are excluded from income and expenditure where there is minimal exposure to risk or minimal economic benefit received.
- iv. Other operating income is recorded in income when it has been earned.
- v. Investment income is credited to the Income and Expenditure Account on a receivable basis. Income from restricted endowments not required to cover expenditure in accordance with the restrictions of the endowment, is transferred from the income and expenditure account to restricted endowments. Any realised gains or losses from dealing in the related assets are retained within the endowments in the balance sheet and are reported in the statement of total recognised gains and losses.
- vi. Grants or donations received in respect of expenditure on fixed assets are treated as deferred capital grants and released to the income and expenditure account in line with depreciation over the life of the asset.
- vii. Charitable donations are recognised when received or when there is sufficient evidence to provide the necessary certainty that the donation will be received and the amount can be measured with sufficient reliability. Donations which are to be retained for the benefit of QMUL are recognised in the statement of total recognised gains and losses and in endowments: other donations are recognised by inclusion as other income in the income and expenditure account.
- viii. Increases or decreases in value arising on the revaluation or disposal of fixed asset investments are added to or subtracted from the fund concerned and are reported in the statement of total recognised gains and losses.

Accrued or deferred income arising from the policies at i-vi above are recognised respectively in current assets or current liabilities in the balance sheet.

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

- i. Freehold land and buildings and long leasehold buildings are stated at cost or valuation. QMUL has applied the transitional rules, contained in Financial Reporting Standard 15, Tangible Fixed Assets, to retain the previous valuations of these properties but not to adopt a policy of revaluation in the future. Since 1 August 2001 all additions to fixed assets have been at cost.
- ii. Depreciation on buildings is calculated at 2% per annum using the reducing balance method. Depreciation on leased buildings is calculated at 2% per annum or over the life of the lease if the lease is less than 50 years. No provision for depreciation is made against the value of land.
- iii. Assets in the course of construction are stated at cost and are not depreciated until they are transferred to the completed asset class when ready for use.
- iv. Plant and Machinery is depreciated over 10 to 15 years.
- v. Equipment costing less than £10,000 per individual item or group of related items is written off in the year of acquisition. All other equipment is capitalised.

Notes to the financial statements (cont)

1. Accounting Policies (cont)

Tangible fixed assets (cont)

vi. Capitalised equipment is depreciated over 3 to 8 years.

vii. Expenditure on an asset after it is purchased is capitalised when the expected future benefits from that asset as a result of the expenditure are greater than those previously assessed.

viii. Where assets are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are treated as deferred capital grants and released to income in line with the depreciation charge.

ix. Assets held under finance leases are depreciated over the period of the finance lease or their useful economic life whichever is shorter.

x. Improvements to properties held under short leases are depreciated over the life of the lease.

xi. Where it is considered that there has been any impairment in the value of an asset, the difference between the carrying value and the higher of its net realisable value or value in use is expensed in the income and expenditure account. Circumstances which could give rise to an impairment are reviewed annually.

xii. QMUL owns heritage assets, none of which either individually or collectively are material to these Financial Statements, which have not been capitalised.

xiii. Expenditure to ensure that a tangible fixed asset maintains its previously recognised standard of performance is recognised in the income and expenditure account in the year it is incurred. QMUL has a planned maintenance programme which is reviewed annually.

Investments

i. Listed investments held as fixed assets or endowment assets are shown at market value.

ii. Investments in subsidiary and associate undertakings are shown at the lower of cost or net realisable value in QMUL's balance sheet. Associate undertakings are shown at QMUL's attributable share of net assets in the consolidated balance sheet.

iii. Unquoted investments are held at cost or impaired value.

iv. Current asset investments are held at the lower of cost and net realisable value.

Stocks

Stock is valued on a first in first out basis and stated at the lower of cost and net realisable value. Included in the valuation are stocks in the refectories and central and departmental stores. An annual review is undertaken of slow moving, obsolete and defective stock and the difference between the carrying value and the higher of its net realisable value or value in use is expensed in the income and expenditure account.

Liabilities

Liabilities are recognised where legal or constructive obligations mean that it is more likely than not that a transfer of economic benefits will be made.

Cash flows and liquid resources

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, cash at bank, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are available within 24 hours without penalty. No investments, however liquid, are included as cash.

Liquid resources comprise assets held as a readily disposable store of value. They include term deposits held as part of QMUL's treasury management activities, but exclude any such assets held as fixed asset investments.

Leases

Finance leases which transfer substantially all the benefits and risks of ownership of an asset to QMUL, are treated as if the asset was purchased outright. The assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to provide the outstanding obligation at the next option date and the interest element is charged to the Income and Expenditure Account so as to give a constant periodic rate of charge of the remaining balance outstanding at the end of each accounting year.

Rental costs under operating leases are charged to expenditure in equal annual amounts over the period of the lease.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the Balance Sheet date. Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Exchange differences arising have been included in the Income and Expenditure Account for the year.

Financial Instruments

QMUL uses derivative financial instruments called interest rate swaps to reduce exposure to interest rate movements. Such derivative financial instruments are not held for speculative purposes and relate to actual liabilities or probable commitments, changing the nature of the interest rate by converting a variable rate to a fixed rate. Interest differentials under these swaps are recognised by adjusting net interest payable over the periods of the contracts. If the derivative financial instrument ceases to be a hedge for an actual liability, it is marked to market and any resulting profit or loss recognised at that time.

A financial asset and liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Notes to the financial statements (cont)

1. Accounting Policies (cont)

Associate companies

QMUL's share of assets and liabilities in associate entities is recognised in the consolidated balance sheet in accordance with FRS 9.

Associate entities are consolidated using the equity method in accordance with FRS 9.

Pension Schemes

As described in note 28, QMUL is a member of three defined benefit pension schemes: the Superannuation Arrangements of the University of London, the Universities Superannuation Scheme, and the NHS Public Service Scheme which are multi-employer schemes where it is not possible to identify the share of assets and liabilities attributable to each employer on a consistent and reasonable basis. QMUL therefore accounts for its pension costs on a defined contribution basis as permitted by FRS 17. Differences between amounts charged to the Income and Expenditure Account and amounts funded are shown as either provisions or prepayments in the Balance Sheet. QMUL also operates a closed defined benefit pension scheme for the non teaching staff of the London Hospital and St Bartholomew's Hospital medical colleges which is accounted for in accordance with FRS 17 and further described in Note 28. QMUL is not a member of any defined contribution schemes which incur costs or liabilities other than the defined contributions themselves.

Endowment funds

Endowments are charitable donations to be retained for the benefit of the institution as specified by the donors. There are three main types:

- i. Unrestricted permanent endowments which the donor has specified are to be permanently invested to generate an income stream for the general benefit of QMUL.
- ii. Restricted expendable endowments which the donor has specified are to be used for a specific purpose other than purchase or construction of tangible fixed assets.
- iii. Restricted permanent endowments which the donor has specified are to be permanently invested to generate an income stream for a particular purpose.

Tax status

QMUL is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore meets the definition of a charity for corporation tax purposes. Accordingly, QMUL is potentially exempt from tax in respect of income or capital gains received within categories covered by Section 287 of CTA 2009 and sections 471 and 478-488 CTA 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. QMUL is registered for Value Added Tax (VAT) but is unable to recover input tax incurred on the majority of its expenditure, most education and research being exempt activities under VAT legislation. Irrecoverable VAT is included in the cost of the goods or service.

2. Funding Body Grants

	<u>Note</u>	<u>2013</u> <u>£000</u>	<u>2012</u> <u>£000</u>
Recurrent grant		77,460	86,072
Specific grants			
Higher education innovation fund		2,567	2,062
Teacher quality enhancement fund		457	419
Other		679	671
		<u>3,703</u>	<u>3,152</u>
Deferred capital grants released in year			
Buildings	19	2,971	3,014
Plant	19	1,166	1,000
Equipment	19	1,807	2,027
		<u>5,944</u>	<u>6,041</u>
		<u>87,107</u>	<u>95,265</u>

Notes to the financial statements (cont)

3. Tuition Fees and Education Contracts

	<u>Note</u>	<u>2013</u>	2012
		<u>£000</u>	£000
Full-time students charged home/EU fees		51,160	36,657
Full-time students charged overseas fees		50,147	39,879
Part-time students		2,873	2,446
Research training support grants		21	52
Short course fees		1,255	1,014
Other fees and support grants		3,159	2,045
Education Contracts		771	615
		<u>109,386</u>	<u>82,708</u>

The prior year has been reclassified so that £4,765,000 of scholarships has been shown as a deduction from tuition fees not as other operating expenditure and £631,000 of other fees and support grants has been shown as other operating income.

4. Research Grants and Contracts

Research councils		21,269	24,447
UK central government bodies		15,186	14,308
UK industry and commerce		4,607	5,054
UK-based charitable and health bodies		23,028	23,199
European Community		10,435	8,187
Other overseas countries		3,446	2,984
Other		1,643	1,388
Deferred capital grants released in year	19	1,658	1,087
		<u>81,272</u>	<u>80,654</u>

5. Other income

Residences, catering and conferences		15,881	15,386
Other services rendered		7,096	5,922
Health authorities		14,397	14,274
Other income		7,069	6,145
Deferred capital grants released in year	19	686	1,086
		<u>45,129</u>	<u>42,813</u>

The prior year has been reclassified so that £631,000 of other fees and support grants has been shown as other operating income.

6. Endowment and Investment Income

Income from expendable endowments	20	147	263
Income from restricted permanent endowments	20	310	501
Income from investments and cash		258	315
		<u>715</u>	<u>1,079</u>

Notes to the financial statements (cont)

7. Staff

	<u>Note</u>	<u>2013</u> £000	<u>2012</u> £000
(i) Staff costs:			
Wages and salaries		158,797	153,871
Social security costs		13,884	13,406
Other pension costs	28	20,352	19,532
Compensation for loss of office		3,071	3,087
		<u>196,104</u>	<u>189,896</u>

Severance pay was in accordance with the policies approved by the Remuneration Committee.

(ii) Emoluments of the President and Principal

Basic salary	201	203
Benefits in kind	3	5

The emoluments of the President and Principal are shown on the same basis as for higher paid staff. QMUL's pension contributions to USS for the President and Principal are paid at the same rate as for other academic staff and amounted to £32,160 (2012 £32,031).

There are no other senior post-holders for which disclosure is required.

(iii) Remuneration of other higher-paid staff

Excluding employer's pension contributions, but including payments made on behalf of the NHS in respect of its contractual obligations to QMUL staff, in bands of £10,000 from a starting point of £100,000.

	<u>2013</u> Number of staff	<u>2012</u> Number of staff
£100,000 — £110,000	19	29
£110,001 — £120,000	19	19
£120,001 — £130,000	15	11
£130,001 — £140,000	15	12
£140,001 — £150,000	10	10
£150,001 — £160,000	7	7
£160,001 — £170,000	6	4
£170,001 — £180,000	4	2
£180,001 — £190,000	3	2
£190,001 — £200,000	4	2
£200,001 — £210,000	2	5
£210,001 — £220,000	0	0
£220,001 — £230,000	0	1
£230,001 — £240,000	2	1
£240,001 — £250,000	0	0
£250,001 — £260,000	1	1
	<u>107</u>	<u>106</u>

£210,648 in compensation for loss of office was made to one higher-paid member of staff in the year to 31 July 2013 (2012 £0).

(iv) Average number of full time equivalent employees by category

Academic and education	1,572	1,540
Professional services	1,445	1,361
Technical services	208	209
Operational services	263	275
	<u>3,488</u>	<u>3,385</u>

(v) Trustees (members of Council)

The Trustees neither received nor waived any emoluments during the year (2012 £nil) in respect of their position as Trustees. All Trustees are entitled to be reimbursed for reasonable travel and subsistence expenses incurred in the performance of their duties. In 2013, 5 Trustees (2012 4) were reimbursed a total of £2,292 (2012 £1,366).

Notes to the financial statements (cont)

8. Other Operating Expenses

	2013	2012
	£000	£000
Other operating expenses include:		
Residences, catering and conferences	3,197	4,407
Consumables and laboratory expenditure	22,381	23,319
Funds payable to other colleges	153	654
Equipment	6,957	5,481
Books and periodicals	3,168	3,042
Fellowships, scholarships, prizes and studentships	17,098	15,082
Heat, light, water and power	4,665	4,534
Repairs and general maintenance	3,371	3,977
Rent, rates and insurance	2,955	2,909
Other premises costs	1,318	1,002
Provision for doubtful debts	565	(158)
Grant to Students Union	1,115	2,006
Auditors' remuneration for audit of QMUL	127	98
Auditors' remuneration for audit of the subsidiaries	48	86
Auditors' remuneration in respect of other services	213	122
Operating lease rental charges in respect of land and buildings	1,463	1,376
Operating lease rental charges in respect of other leases	772	187
University of London central charges	1,192	1,160
Professional and other fees	8,271	10,037
Conferences, travel and training	8,882	8,334
Contract and Agency Staff	9,083	9,382
Miscellaneous expenditure*	7,049	6,963
	104,043	104,000

The prior year has been reclassified so that £4,765,000 of scholarships has been shown as a deduction from tuition fees not as other operating expenditure and to identify operating lease rental charges of £187,000.

* Includes £106,620 in respect of Internal Audit fees (2012 £113,400).

9. Analysis of expenditure by activity

	Staff Costs	Depreciation	Other costs	Interest Payable	2013 Total	2012 Total
	£000	£000	£000	£000	£000	£000
Academic departments	112,149	2,230	30,513	0	144,892	137,031
Academic services	10,288	663	7,439	105	18,495	15,598
Research grants and contracts	38,871	1,054	32,923	0	72,848	72,317
Residences, catering and conferences	3,705	76	3,197	0	6,978	8,362
Premises	7,569	9,818	10,809	2,640	30,836	33,056
Administration	20,621	2,672	14,876	0	38,169	41,145
Other	2,901	332	4,286	0	7,519	4,766
Total per income and expenditure account	196,104	16,845	104,043	2,745	319,737	312,275
Total for year ended 31 July 2012	189,896	15,411	104,000	2,968		312,275

The depreciation charge has been funded by:

	Note	2013	2012
		£000	£000
Deferred capital grants released	19	8,288	8,214
Revaluation reserve released	21	163	166
General income		8,394	7,031
		16,845	15,411

Other operating expenses include:

External auditors remuneration in respect of audit services	175	184
External auditors remuneration in respect of other services	213	122

The prior year has been reclassified so that £4,765,000 of scholarships has been shown as a deduction from tuition fees not as other operating expenditure.

Notes to the financial statements (cont)

10. Taxation

	2013	2012
	£000	£000
Reversal of Macau complementary (corporation) tax charged in earlier periods on the profits of Queen Mary Research Laboratories (Macau) Limited.	2	(5)
Research and development tax credits for Associate Companies	16	19
Tax Credit	18	14

Council does not believe that QMUL is liable for any UK corporation tax arising out of its activities during the year.

11. Tangible assets

	Freehold land and buildings	Long leasehold	Short leasehold	Assets in course of construction	Plant and machinery	Equipment	Total
	£000	£000	£000	£000	£000	£000	£000
Consolidated							
Cost							
At 1 August 2012	373,917	26,516	0	15,094	38,489	77,743	531,759
Transfers	10,218	0	3,708	(16,180)	407	1,847	0
Additions at cost	0	0	0	15,795	452	5,445	21,692
Disposal	(1,049)	0	0	0	0	0	(1,049)
At 31 July 2013	383,086	26,516	3,708	14,709	39,348	85,035	552,402
Accumulated Depreciation							
At 1 August 2012	(56,659)	(8,446)	0	0	(16,858)	(56,859)	(138,822)
Transfers	547	0	(547)	0	0	0	0
Charge for the year	(6,460)	(361)	(159)	0	(3,321)	(6,544)	(16,845)
Disposal	341	0	0	0	0	0	341
At 31 July 2013	(62,231)	(8,807)	(706)	0	(20,179)	(63,403)	(155,326)
Net book value							
At 31 July 2013	320,855	17,709	3,002	14,709	19,169	21,632	397,076
Net book value							
At 1 August 2012	317,258	18,070	0	15,094	21,631	20,884	392,937
QMUL							
Cost							
At 1 August 2012	369,447	26,516	0	15,094	29,631	72,896	513,584
Transfers	10,218	0	3,708	(16,180)	407	1,847	0
Additions at cost	0	0	0	15,795	452	5,445	21,692
Disposal	(1,049)	0	0	0	0	0	(1,049)
At 31 July 2013	378,616	26,516	3,708	14,709	30,490	80,188	534,227
Accumulated Depreciation							
At 1 August 2012	(52,310)	(8,446)	0	0	(12,833)	(54,907)	(128,496)
Transfers	547	0	(547)	0	0	0	0
Charge for the year	(6,209)	(361)	(159)	0	(2,603)	(5,752)	(15,084)
Disposal	341	0	0	0	0	0	341
At 31 July 2013	(57,631)	(8,807)	(706)	0	(15,436)	(60,659)	(143,239)
Net book value							
At 31 July 2013	320,985	17,709	3,002	14,709	15,054	19,529	390,988
Net book value							
At 31 July 2012	317,137	18,070	0	15,094	16,798	17,989	385,088

Freehold land and buildings includes land with a cost of £8,854k (QMUL £21,160k) which is not depreciated.

The freehold of the Medical College site at Charterhouse Square is vested in the Trustees of the Medical College of St Bartholomew's Hospital Trust. The site is leased to QMUL for a term of 25 years from 25 November 2008. The rent reserved is one peppercorn per annum plus an annual rent equal to the rents received from the sub-tenancies. In addition QMUL holds an underlease on premises at Goswell Road also for a term of 25 years from 25 November 2008, on similar terms.

Notes to the financial statements (cont)

11. Tangible assets (cont)

Plant and machinery includes plant at a cost of £24,763k with a net book value of £10,266k in respect of assets under finance leases. The annual depreciation charge in respect of these assets is £2,226k. Equipment includes assets at a cost of £1,850k with a net book value of £0 in respect of assets under finance leases. The annual depreciation charge in respect of these assets is £0. Assets in the course of construction includes equipment at a cost and net book value of £6,180k.

QMUL holds two main classes of heritage assets: one comprises portraits of former Principals of QMUL and institutions with which it merged; and the other is silverware. The value of neither class is material to these financial statements.

Sale of fixed assets

During the year, QMUL sold 10 properties for £5,420,000 with a net book value of £708,000 giving a profit of £4,712,000

12. Investments

	Consolidated		QMUL	
	2013 £000	2012 £000	2013 £000	2012 £000
Subsidiary companies and other investments				
Investment in subsidiary companies at cost	0	0	3,516	3,516
Other investments	203	203	203	203
Investment in shared equity property	4,010	3,067	4,010	3,067
	4,213	3,270	7,729	6,786

Subsidiary companies

QMUL holds directly the following shares in subsidiary companies:

	Country of registration	Equity holding	Proportion held	Principal activity
People's Palace Projects	England	Limited by guarantee	100.0%	Participatory arts charity
Queen Mary Innovation Limited	England	Ordinary	100.0%	Holding Company
Queen Mary Innovation Limited	England	Preference	100.0%	Holding Company
Queen Mary Research Laboratories (Macau) Limited	Macau	Ordinary	48.0%	Smart antennas for wireless networks

Whilst QMUL does not have an equity holding in Queen Mary University of London Foundation, it is treated as a subsidiary in the consolidated financial statements as all of its assets are held for the benefit of QMUL.

Queen Mary Innovation Limited holds directly the following shares in subsidiary companies:

Nanoforce Technology Limited	England	Ordinary	100.0%	Micro and nanotechnology facility
Q.M.W. Developments Limited	England	Ordinary	100.0%	Property development
Queen Mary Bioenterprises Limited	England	Ordinary	100.0%	Developing Innovation Centre
Queen Mary Research and Consulting (Hong Kong) Limited	Hong Kong	Ordinary	100.0%	Supporting QMUL activities
Queen Mary Research Laboratories (Macau) Limited	Macau	Ordinary	52.0%	Smart antennas for wireless networks

Other Investments

QMUL holds 3,480 shares in Actual Experience Limited.

QMUL holds 1,838,236 shares in Biomoti Limited.

QMUL holds 1 ordinary A share in Combined London Colleges (General Partner) Limited.

QMUL holds 36,028 shares in CVCP Properties PLC.

QMUL holds 196,572 ordinary shares in Mixgenius Inc.

QMUL holds 1,840,480 ordinary shares in Retroscreen Virology Group PLC, representing 3.4% of the share capital.

QMUL is a limited partner in Kinetique Biomedical Seed Fund LP and Combined London Colleges University Challenge LP. Both of these partnerships have an independent general partner that fully controls the partnership.

QMUL is a member of London Genetics Limited, Association for University Research and Industry Links, London University Purchasing Consortium and UCL Partners Limited, all of which are limited by guarantee companies.

Queen Mary Innovation Limited holds 2,000 ordinary shares in Neurotex Limited, representing 20.0% of the share capital.

Queen Mary Innovation Limited holds 24,500 ordinary shares in Phosphonics Limited, representing 0.6% of the share capital.

Queen Mary Innovation Limited holds 223,500 ordinary shares in Retroscreen Virology Group PLC, representing 0.5% of the share capital.

Notes to the financial statements (cont)

13. Investment in Associates

QMUL holds directly the following shares in associate companies:

	Country of registration	Equity holding	Proportion held	Principal activity
Activiomics Limited	England	Ordinary	17.8%	Pharmacological Analysis
Automatic Music Production Systems Limited	England	Ordinary	55.0%	Music Software
Chatterbox Analytics Limited	England	Ordinary	42.5%	Social Media Analysis
Degrasense Limited	England	Ordinary	47.7%	Industrial biosensors
Emdot Limited	England	Ordinary	27.6%	Inkjet printing technology
Stealthyx Therapeutics Limited	England	Ordinary	42.0%	Drug delivery
Varydose Limited	England	Ordinary	25.0%	Pharmaceutical dispensing
Vision Semantics Limited	England	Ordinary	39.0%	CCTV analytics
William Harvey Research Limited	England	Ordinary	40.0%	Research

QMUL holds indirectly the following shares in associate companies:

Vision Semantics (HK) Limited	Hong Kong	Ordinary	39.0%	CCTV analytics
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Queen Mary Innovation Limited holds directly the following shares in associate companies:

Abonetics 2000 Limited	England	Ordinary	50.0%	Intellectual property
Abonetics 2000 Limited	England	Preference	100.0%	Intellectual property
Vaxome Limited	England	Ordinary	33.4%	Vaccine technology

14. Endowment Assets

	Consolidated		QMUL	
	2013	2012	2013	2012
	£000	£000	£000	£000
Balance at 1 August 2012 (2011)	30,829	33,585	30,696	33,355
New endowments invested	0	0	0	0
Increase/(decrease) in market value of investments	3,796	(2,570)	3,796	(2,570)
Management Fee	(301)	(235)	(301)	(235)
Change in accrued bond income due	(16)	82	(16)	82
(Decrease)/increase in cash balance held by QMUL for endowment funds	(174)	64	(174)	64
Decrease in cash balance held by subsidiary charities	(62)	(97)	0	0
Balance at 31 July 2013 (2012)	34,072	30,829	34,001	30,696
Represented by:				
Fixed interest stocks	10,149	12,110	10,149	12,110
Equities	16,998	15,284	16,998	15,284
Property investment trusts and shares	2,718	1,477	2,718	1,477
Hedge funds	8	17	8	17
Cash balance with fund manager	2,700	206	2,700	206
Cash held by QMUL for endowment funds	1,428	1,602	1,428	1,602
Cash held by subsidiary charities	71	133	0	0
	34,072	30,829	34,001	30,696

Notes to the financial statements (cont)

15. Debtors

	Consolidated		QMUL	
	2013 £000	2012 £000	2013 £000	2012 £000
Research grants/contracts	16,350	19,996	16,315	19,561
Other debtors	20,872	12,415	19,821	12,256
Amounts owed by subsidiaries	0	0	2,156	3,482
Prepayments and accrued income	2,599	3,138	2,655	3,257
	39,821	35,549	40,947	38,556

Other debtors includes amounts held in Escrow against the warranties provided by the collective sellers in relation to the sale of Apatech Limited to the value of £16,280 (2012 £17,946). Subject to no claims being made by the buyer, this amount will be released in October 2013.

16. Creditors: Amounts falling due within one year

Bank loans and overdrafts	2,029	2,016	2,029	2,016
Finance Leases	1,189	473	1,189	473
Social security and other taxation payable	4,321	4,215	4,317	4,207
Research grants/contracts in advance	48,443	44,166	48,395	43,892
Other creditors and credit balances	14,301	18,352	13,974	17,977
Deferred grants	698	1,915	699	1,915
Accruals and deferred income	18,138	14,385	17,907	14,120
Amounts owed to subsidiaries	0	0	3,163	3,033
	89,119	85,522	91,673	87,633

17. Creditors: Amounts falling due after more than one year

Bank loan	73,241	74,905	56,260	57,924
Finance leases	30,832	28,636	30,832	28,636
Other creditors	500	1,253	500	1,253
	104,573	104,794	87,592	87,813

Analysis of bank loans and finance leases

Within one year	2,853	2,134	2,853	2,134
Within two and five years	37,518	35,310	37,518	35,310
In five years or more	66,556	68,231	49,574	51,250
Total	106,927	105,675	89,945	88,694

Included within bank loans are the following:

Lender	Amount £000	Term years	Interest rate %	Borrower
Lloyds TSB PLC (unsecured)	57,924	35	0.18 above base or LIBOR	QMUL
Barclays Bank PLC (secured)	16,981	27	5.27	Queen Mary Bioenterprises Limited
	74,905			

QMUL entered into a 35 year loan facility for £60m with Lloyds TSB on 6 March 2007 to refinance £25m of loans with the Royal Bank of Scotland (RBS) and to fund current and future capital projects. The principal is being repaid by quarterly instalments with a bullet repayment of £9.3m due in 2042.

With regard to the £60m Lloyds TSB loan facility, the following fixed interest swaps (over 3 month LIBOR) are in place:

	Amount £000	Rate %	Cost of funds %	Term years	Termination date
Lloyds swap 1 (includes costs from previous RBS swaps)	15,000	4.7400%	4.9200%	35	07/09/2042
Lloyds swap 2	15,000	4.7125%	4.8925%	25	07/09/2032
Lloyds swap 3	12,000	4.5925%	4.7725%	21	07/09/2028
Lloyds swap 4	6,000	4.7700%	4.9500%	12	01/09/2022

Notes to the financial statements (cont)

17. Creditors: Amounts falling due after more than one year (cont)

Queen Mary Bioenterprises Limited entered into a loan facility for £16.5m with Barclays Bank PLC on 15 February 2007 to fund the building of an innovation centre. The loan facility is for 27 years to 2034 and £16.475m of the loan facility has been drawn down. Interest is fixed at a rate of 5.27% p.a. Interest is accrued and added to the drawn down loan principal for the period to September 2008. From December 2008, and until the end of the loan facility, interest is paid quarterly in arrears. The loan principal and accrued interest to September 2008 is repaid by quarterly instalments from March 2019 and until the end of the loan facility. The loan facility is guaranteed by QMUL until such time as Queen Mary Bioenterprises Limited meets defined finance covenants for three consecutive years. The loan is secured on the QMB Innovation Centre.

QMUL entered into a loan facility agreement with Queen Mary Bioenterprises Limited for £15.5m in 2009/10. The loan is not secured over any assets and incurs interest at 5.27% p.a. As at the end of the year £12.6m of this facility was drawn down (2012 £11.7m)

18. Financial commitments

At 31 July 2013 QMUL had annual commitments under operating leases as follows:

	Consolidated and QMUL			Consolidated and QMUL		
	Buildings	Equipment	Total	Buildings	Equipment	Total
	2013	2013	2013	2012	2012	2012
	£000	£000	£000	£000	£000	£000
Leases which expire within one year	104	1	105	0	0	0
Leases which expire in the second to fifth year	196	1,084	1,280	353	662	1,015
Leases which expire in five years or more	1,124	0	1,124	1,124	0	1,124
	1,424	1,085	2,509	1,477	662	2,139

19. Deferred capital grants

	HEFCE	Research grants	Other gifts	Total	Total
	Note	2013	2013	2013	2012
		£000	£000	£000	£000
Consolidated					
At 1 August 2012 (2011)					
Buildings		144,009	14,356	8,627	166,992
Assets in the course of construction		3,695	0	0	3,695
Plant		8,048	4	1,483	9,535
Equipment		4,822	3,262	698	8,782
Total		160,574	17,622	10,808	189,004
Cash received/receivable					
Buildings		0	0	241	241
Assets in the course of construction		1,682	0	0	1,682
Plant		0	0	1	1
Equipment		2,213	1,326	80	3,619
Total		3,895	1,326	322	5,543
Released to Income and Expenditure					
Buildings	2,4,5	(2,971)	(287)	(172)	(3,430)
Plant	2,4,5	(1,166)	(1)	(242)	(1,409)
Equipment	2,4,5	(1,807)	(1,370)	(272)	(3,449)
Total		(5,944)	(1,658)	(686)	(8,288)
Transfers					
Buildings		2,356	0	0	2,356
Assets in the course of construction		(3,694)	0	0	(3,694)
Plant		70	0	0	70
Equipment		1,268	0	0	1,268
Total		0	0	0	0
At 31 July 2013 (2012)					
Buildings		143,394	14,069	8,696	166,159
Assets in the course of construction		1,683	0	0	1,683
Plant		6,952	3	1,242	8,197
Equipment		6,496	3,218	506	10,220
Total		158,525	17,290	10,444	186,259

Notes to the financial statements (cont)

19. Deferred capital grants (cont)

	HEFCE	Research grants	Other gifts	Total	Total
Note	2013 £000	2013 £000	2013 £000	2013 £000	2012 £000
QMUL					
At 1 August 2012 (2011)					
Buildings	144,009	14,356	5,480	163,845	165,024
Assets in the course of construction	3,695	0	0	3,695	590
Plant	8,048	0	0	8,048	9,048
Equipment	4,822	3,262	0	8,084	9,537
Total	160,574	17,618	5,480	183,672	184,199
Cash received					
Buildings	0	0	241	241	1,731
Assets in the course of construction	1,682	0	0	1,682	3,695
Plant	0	0	1	1	0
Equipment	2,213	1,325	80	3,618	1,367
Total	3,895	1,325	322	5,542	6,793
Released to Income and Expenditure					
Buildings	2 (2,971)	(287)	(110)	(3,368)	(3,425)
Plant	2 (1,166)	0	(1)	(1,167)	(1,000)
Equipment	2 (1,807)	(1,370)	(80)	(3,257)	(2,895)
Total	(5,944)	(1,657)	(191)	(7,792)	(7,320)
Transfers					
Buildings	2,357	0	0	2,357	514
Assets in the course of construction	(3,695)	0	0	(3,695)	(590)
Plant	70	0	0	70	0
Equipment	1,268	0	0	1,268	76
Total	0	0	0	0	0
At 31 July 2013 (2012)					
Buildings	143,395	14,069	5,611	163,075	163,844
Assets in the course of construction	1,682	0	0	1,682	3,695
Plant	6,952	0	0	6,952	8,048
Equipment	6,496	3,217	0	9,713	8,085
Total	158,525	17,286	5,611	181,422	183,672

Notes to the financial statements (cont)

20. Endowments

	Total restricted permanent 2013 £000	Total restricted expendable 2013 £000	Total endowment 2013 £000	Total endowment 2012 £000
Consolidated				
Balances at 1 August 2012 (2011)				
Capital	19,623	0	19,623	21,384
Accumulated income	1,184	10,022	11,206	12,201
	20,807	10,022	30,829	33,585
New endowments	8	190	198	233
Investment income	310	147	457	764
Expenditure	(379)	(602)	(981)	(1,010)
Repayments of benevolence loans made to students	74	0	74	62
Increase/(decrease) in market value of investments	2,567	1,229	3,796	(2,570)
Management fee	(204)	(97)	(301)	(235)
Balances at 31 July 2013 (2012)	23,183	10,889	34,072	30,829
Represented by:				
Capital	21,994	0	21,994	19,623
Accumulated income	1,189	10,889	12,078	11,206
	23,183	10,889	34,072	30,829
QMUL				
Balances at 1 August 2012 (2011)				
Capital	19,623	0	19,623	21,384
Accumulated income	1,184	9,889	11,073	11,971
	20,807	9,889	30,696	33,355
New endowments	8	53	61	319
Investment income	310	147	457	763
Expenditure	(379)	(403)	(782)	(998)
Repayments of benevolence loans made to students	74	0	74	62
Increase/(decrease) in market value of investments	2,567	1,229	3,796	(2,570)
Management fee	(204)	(97)	(301)	(235)
Balances at 31 July 2013 (2012)	23,183	10,818	34,001	30,696
Represented by:				
Capital	21,994	0	21,994	19,623
Accumulated income	1,189	10,818	12,007	11,073
	23,183	10,818	34,001	30,696

Notes to the financial statements (cont)

21. Revaluation reserve

	Consolidated and QMUL	
	2013	2012
	£000	£000
Balance at 1 August 2012 (2011)	12,617	12,783
Released in year	(163)	(166)
Balance at 31 July 2013 (2012)	12,454	12,617

22. Capital commitments

	Consolidated and QMUL	
	2013	2012
	£000	£000
Capital expenditure contracted but not provided for in financial statements	2,932	6,038

23. Reconciliation of consolidated operating surplus/(deficit) before tax and exceptional item to net cash inflow from operating activities

		Consolidated	
	Note	2013	2012
		£000	£000
Surplus/(deficit) for the year after depreciation of assets at valuation and before tax and exceptional item		3,872	(9,756)
Depreciation	11	16,845	15,411
Macau taxation	10	2	(5)
Net return on pension asset		20	22
Cash payment to reduce pension deficit		(19)	(19)
Deferred capital grants released to income	19	(8,288)	(8,214)
Profit on sale of land and buildings		0	(635)
Investment income	6	(715)	(1,079)
Interest payable		2,745	2,968
Decrease in stocks		98	65
Increase in debtors	15	(4,272)	(3,105)
Increase in creditors		5,642	17,781
(Decrease)/increase in creditors due after one year	17	(221)	1,115
Net cash inflow from operating activities		15,709	14,549

24. Returns on investment and servicing of finance

Income from investments	6	457	764
Interest received	6	258	315
Interest paid		(2,745)	(2,968)
Exchange rate gain on opening net assets of foreign subsidiary		2	3
Net cash outflow from returns on investment and servicing of finance		(2,028)	(1,886)

25. Capital expenditure and financial investment

Purchase of tangible assets		(21,304)	(28,954)
Purchase of investments		(11,578)	(31,116)
Total payments to acquire fixed and endowment asset investments		(32,882)	(60,070)
Sale of investments		13,146	27,641
Sale of land and buildings		5,420	1,005
Deferred capital grants received	19	5,543	6,794
Endowments received	20	272	295
Net cash outflow from investing activities		(8,501)	(24,335)

Notes to the financial statements (cont)

26. Financing

	Consolidated	
	2013	2012
	£000	£000
New secured loans	0	0
Repayment of amounts borrowed	(2,433)	(523)
Net cash outflow from financing	(2,433)	(523)

27. Analysis of changes in net debt

	At 1 August 2012	Cash Flows	Non cash movement	At 31 July 2013
	£000	£000	£000	£000
Cash at bank and in hand:				
Endowment assets	1,941	2,258	0	4,199
Others	13,346	2,369	0	15,715
Total cash at bank and in hand	15,287	4,627	0	19,914
Short term deposits	1,880	(1,880)	0	0
Bank Loan due within one year	(1,661)	1,661	(1,664)	(1,664)
Bank Loan due after one year	(74,905)	0	1,664	(73,241)
Finance Lease due within one year	(473)	772	(1,488)	(1,189)
Finance Lease due after one year	(28,636)	0	(2,196)	(30,832)
Total net debt	(88,508)	5,180	(3,684)	(87,012)

28. Pension costs

The three principal pension schemes for QMUL's staff are the Superannuation Arrangements for the University of London (SAUL), the Universities Superannuation Scheme (USS) and the Public Service Scheme (NHS). QMUL also operates a closed scheme for the non teaching staff of the London Hospital and St Bartholomew's Hospital medical college prior to their merger with QMUL.

QMUL's contributions to the schemes, as at 31 July 2013, are shown below.

	USS	SAUL	NHS
	%	%	%
Employees' contributions - final salary scheme	7.50	6.00	6.00
Employees' contributions - career revalued benefits scheme	6.50	6.00	N/A
Employer's contributions	16.00	13.00	14.00
		2013	2012
		£000	£000
Contribution to USS		15,844	15,098
Contribution to SAUL		2,482	2,251
NHS Public Service scheme		2,023	2,178
Contribution paid to other pension schemes (note 28(v))		3	5
Net charge to Income and Expenditure Account		20,352	19,532

(i) USS

QMUL participates in USS, a defined benefit scheme which is contracted out of the State Second pension. The assets of the scheme are held in a separate Trust administered by the trustee, Universities Superannuation Scheme Limited. USS is a multi employer scheme and QMUL is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. QMUL therefore accounts for its pension costs on a defined contribution basis, as permitted by Financial Reporting Standard 17 Accounting for Pension Costs. As a result, the amounts charged to the income and expenditure account represent the contributions payable to the schemes in respect of the accounting year.

The last available actuarial valuation of the scheme was at 31 March 2011 using the projected unit method. The assumptions which have the most significant effect on the result of the valuation and the valuation results have been given below. Following UK government legislation, from 2011 statutory pension increases are based on the Consumer Prices Index not the Retail Price Index as previously.

The QMUL contribution rate required for future service benefits alone at the date of valuation was 16% of pensionable salaries.

As part of this valuation the trustees have determined, after consultation with the employers, a recovery plan to pay off the shortfall of £2,910m by 31 March 2021. The next triennial actuarial valuation is as at 31 March 2014. If experience up to that date is in line with the assumptions made for the current valuation and contributions paid at the determined rates, the shortfall at 31 March 2014 is estimated to be £2,200m, equivalent to a funding level of 95%.

Notes to the financial statements (cont)

28. Pension costs (cont)

The actuary has estimated that the funding level at 31 March 2013 has fallen to 77% from 92% at 31 March 2011. The estimate is based on the results from the valuation of 31 March 2011 allowing primarily for investment returns and changes to market conditions which were identified as the two most significant factors affecting the funding position.

In October 2011, a number of changes to the benefits provided by the scheme were introduced: other than in specific circumstances the pensions provided to new entrants are on a career revalued benefits basis, the normal pension age was increased for future service and new entrants to 65; flexible retirement options were introduced; member contributions were increased to 7.5% and 6.5% for final salary and career revalued benefit members respectively; any future increases in the total contribution level will be funded 65% by the employer and 35% by the employee and for service accruing after 30 September 2011, pensions in payment will be increased by matching an increase in official pensions up to 5% and then half of the difference up to a maximum of 10%.

(ii) SAUL

QMUL participates in SAUL which is a centralised defined benefit scheme for all qualifying employees and is contracted out of the State Second Pension. The assets are held in separate Trust-administered funds. SAUL is a multi-employer scheme where the share of assets and liabilities applicable to each employer is not identified. QMUL therefore accounts for its pension costs on a defined contribution basis, as permitted by Financial Reporting Standard 17 Accounting for Pension Costs. As a result, the amounts charged to the income and expenditure account represent the contributions payable to the schemes in respect of the accounting year.

The last available actuarial valuation of the scheme was at 31 March 2011 using the projected unit method. The assumptions which have the most significant effect on the result of the valuation and the valuation results have been given below. Following UK government legislation, from 2011 statutory pension increases are based on the Consumer Prices Index not the Retail Price Index as previously.

In July 2012 the career average revalued earnings (CARE) benefit structure was introduced for new members joining the scheme. As a consequence, the cost of benefit accrual is expected to fall as existing final salary scheme members are replaced by members joining the CARE structure. This will allow an increasing proportion of the expected asset return to be used to eliminate the funding shortfall. Based on conditions at 31 March 2011, the shortfall is expected to be eliminated by 31 March 2021.

The main feature of the most recent valuations of the USS and SAUL schemes, under a FRS 17 basis, are as follows:

Latest Actuarial Valuations

	USS 31/03/2011	SAUL 31/03/2011
Assumptions		
Investment returns per annum – past service liabilities	4.4%	6.8%
Investment returns per annum – future service liabilities	6.1%	6.8%
Salary scale increases per annum	4.4%	N/A
Salary scale increases per annum until 31 March 2014	N/A	3.75%
Salary scale increases per annum after 31 March 2014	N/A	4.5%
Pension increases per annum	N/A	2.8%
Pension increases per annum for the three years 2011-2014	3.4%	N/A
Pension increases per annum after 2014	2.6%	N/A
Results		
Market value of assets at date of last valuation	£32,433.5m	£1,506m
Regular contribution rate	16.0%	13.0%
Proportion of members' accrued benefits covered by the actuarial valuation of the assets	92%	95%

(iii) NHS Public Service Scheme

The Public Service scheme is an unfunded defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. As a consequence it is not possible for QMUL to identify its share of the underlying scheme assets and liabilities. QMUL therefore accounts for its pension costs on a defined contribution basis as permitted by Financial Reporting Standard 17.

Membership of this scheme is restricted to existing staff who are members and new staff who were already members by virtue of their previous National Health Service employment. The NHS scheme is funded centrally by the Treasury on a current cost basis.

(iv) London Hospital and St Bartholomew's Hospital non teaching staff scheme

QMUL operates a defined benefit scheme in the UK, which provided both pensions in retirement and death benefits to non teaching staff of the London Hospital and St Bartholomew's Hospital medical colleges. Pension benefits are related to member's final salary at retirement and their length of service. Following the merger of the two medical colleges with QMUL, the members were offered membership of SAUL and ceased to accrue benefits in the scheme on 1 August 1996. There are no active members in the scheme. The last triennial valuation of the scheme was at 31 July 2012. At that date the value of the assets was lower than the actuarial valuation by £260,000, a funding level of 84%. QMUL

Notes to the financial statements (cont)

28. Pension costs (cont)

has agreed a plan to reduce the actuarial deficit by annual payments of £32,000 on 1 August each year, rising each year by the increase in Consumer Prices Index (CPI) to the previous September. A final contribution is due on 1 August 2020, totalling half the contribution paid at 1 August 2019 increased in line with the CPI to the previous September. QMUL meets the ongoing running expenses of the scheme together with any PPF levies.

The Government's announcement of a change for statutory increases for pensions from the Retail Prices Index to the CPI has affected the scheme as follows:

Non Guaranteed Minimum Pension benefits for both the London Hospital and St Bartholomew's section increase in deferment in line with the statutory minimum of CPI from 2011.

Discretionary pension increases in the London Hospital section are set with reference to CPI subject to a maximum of 5% per annum. Pension increases for the Barts section are unaffected and remain fixed at 3% per annum.

At 31 July 2013 the market value of assets in the scheme, the expected long term rate of return from them and the present value of the scheme liabilities, as defined in accordance with Financial Reporting Standard 17 and valued by the group's actuary were as follows:

	<u>31/07/2013</u>	<u>31/07/2012</u>	<u>31/07/2011</u>	<u>31/07/2010</u>	<u>31/07/2009</u>
Rate of increase in salaries	N/A	N/A	N/A	N/A	N/A
Discount rate	4.50%	4.00%	5.20%	5.40%	6.30%
Inflation RPI assumption	N/A	N/A	N/A	3.40%	3.70%
Inflation CPI assumption	2.50%	2.00%	3.00%	N/A	N/A
Rate of increases in pensions in payment:					
RPI up to a maximum of 5% pa (LHMC members)	N/A	N/A	N/A	3.20%	3.40%
CPI up to a maximum of 5% pa (LHMC members)	2.50%	2.00%	3.00%	N/A	N/A
Fixed increases of 3% pa (Barts members)	3.00%	3.00%	3.00%	3.00%	3.00%
	2013	2012	2011	2010	2009
Assumed life expectancies on retirement at age 60 are:					
Retiring today					
Males	25.9	25.5	25.4	25.3	25.6
Females	28.8	28.0	28.0	27.9	28.4
Retiring in 20 years time					
Males	27.0	26.9	26.8	26.8	27.8
Females	30.0	29.3	29.3	29.2	30.5

The assumptions used in determining the overall expected return of the scheme have been set with reference to yields available on government bonds and appropriate risk margins.

The expected rate of return of the assets in the scheme were:

	Long-term rate of return expected at 31/07/2013	Long-term rate of return expected at 31/07/2012	Long-term rate of return expected at 31/07/2011	Long-term rate of return expected at 31/07/2010	Long-term rate of return expected at 31/07/2009
	%	%	%	%	%
Equities	6.60%	5.78%	6.99%	7.28%	7.50%
Bonds and gilts	3.90%	3.41%	4.60%	4.84%	5.40%
Cash/net current assets	0.50%	0.50%	0.50%	0.50%	0.50%

The value of the assets in the scheme were:

	Value at 31/07/2013	Value at 31/07/2012	Value at 31/07/2011	Value at 31/07/2010	Value at 31/07/2009
	£000	£000	£000	£000	£000
Equities	388	348	301	277	271
Bonds	1,070	525	959	810	810
Index linked gilts	6	528	0	0	0
Cash	0	20	2	20	1
Net current liabilities	0	(14)	0	0	0
Total market value of assets	1,464	1,407	1,262	1,107	1,082
Present value of scheme liabilities	(1,651)	(1,916)	(1,685)	(1,596)	(1,465)
Deficit in scheme	(187)	(509)	(423)	(489)	(383)

The scheme has been closed since 1 August 1996. £19,000 was charged to operating profit in the year (2012 £19,000).

Notes to the financial statements (cont)

28. Pension costs (cont)

Analysis of the amount credited to other finance income:

	2013	2012	2011	2010	2009
	£000	£000	£000	£000	£000
Expected return on scheme assets	55	65	60	61	67
Interest cost	(75)	(87)	(86)	(88)	(88)
Net Return	(20)	(22)	(26)	(27)	(21)

Analysis of amount recognised in statement of total recognised gains and losses:

Actual return less expected return on pension scheme assets	43	82	79	75	(85)
Experience gains and losses arising on the scheme liabilities	280	(165)	(6)	(173)	0
Changes in assumptions underlying the present value of the scheme liabilities	0	0	0	0	(28)
Actuarial gain/(loss) recognised in STRGL	323	(83)	73	(98)	(113)

History of scheme assets, obligations and experience adjustments

Experience adjustments arising on scheme liabilities	60	0	0	(173)	0
Experience item as a percentage of scheme liabilities	3.6%	0.0%	0.0%	(10.8%)	0.0%
Actual return less expected return on pension scheme assets	43	82	79	75	(85)
Percentage of scheme assets	2.90%	5.80%	6.30%	6.80%	(7.90%)

A cumulative gain of £106,000 has been recognised in the Statement of Recognised Gains and Losses (2012 loss of £217,000).

The movement in the deficit in the year was:

Deficit in scheme at 1 August	(509)	(423)	(489)	(383)	(249)
Contribution by Employer	19	19	19	19	0
Current service cost	0	0	0	0	0
Other finance income	(20)	(22)	(26)	(27)	(21)
Actuarial gain/(loss)	323	(83)	73	(98)	(113)
Deficit in scheme at 31 July	(187)	(509)	(423)	(489)	(383)

(v) Defined contribution scheme

One of QMUL's subsidiaries offers a defined contribution pension scheme to its staff. The cost for the year was £3,000 (2012 £5,000). There were no outstanding or prepaid contributions at the balance sheet date.

29. Access funds

	2013	2012
	£000	£000
Balance brought forward	0	5
Grant received	181	192
Interest	0	0
Expenditure	(173)	(194)
Outstanding loans	(1)	(3)
Balance carried forward	7	0

Funding body access grants are available solely for students; QMUL acts only as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

Notes to the financial statements (cont)

30. Related party disclosures

Transactions between QMUL and its subsidiary undertakings have been eliminated on consolidation and therefore do not need to be disclosed in this note.

Due to the nature of QMUL's operations and the composition of the Council (being drawn from public and private sector organisations), it is inevitable that transactions will take place with organisations in which a member of Council will have an interest. All such transactions are conducted at arms length and in accordance with QMUL's financial regulations and normal procedures.

Name	Related Party	Income 2013 £000	Expenditure 2013 £000	Debtor Balance 2013 £000	Creditor Balance 2013 £000					
Ms Mary Elford, Non Executive Director	East London NHS Foundation Trust	1,348	335	101	1					
Ms Mary Elford, Non Executive Director Professor Sir Nicholas Wright, Non Executive Director Professor Richard Trembath, Non Executive Director	} Barts and the London NHS Trust	15,332	2,897	2,676	256					
Professor Simon Gaskell, Treasurer						Universities UK	0	33	0	0
Professor Simon Gaskell, Director						Higher Education Statistics Agency	0	4	0	0
Professor Simon Gaskell, Director Professor Richard Trembath, Director						} UCL Partners	104	237	4	0
Professor Richard Trembath, Trustee	William Harvey Research Foundation	202	0	83	0					
Professor Nick Lemoine, Director	National Institute for Health Research Comprehensive Local Research Network for Central and East London	95	0	0	0					
Professor Nick Lemoine, Chairman, Scientific Advisory Board	Diabetes UK	42	0	13	0					
Professor Nick Lemoine, Chairman, Scientific Advisory Board	Prostate Cancer UK	5	0	0	0					
Professor Nick Lemoine, Chairman, Scientific Advisory Board	Pancreatic Cancer Research Fund	571	0	195	0					
Professor Mark Caulfield, Member of the chairs and programme grants committee	British Heart Foundation	1,838	0	1	0					
Professor Morag Schiach, Trustee	St Barts Hospital Medical College Trust	120	1	0	0					
Mr Babatunde Williams, Chair Ms Elizabeth Hall, Trustee	} Queen Mary Students' Union	122	1,256	793	105					
Mr Anthony Walker, Chair						QMSU Services Ltd	78	114	320	4
Mr Anthony Walker, Member of Court of Assistants	Draper's Company	0	3	0	0					
Mr Anthony Walker, Member of Court of Assistants	Draper's Charitable Fund	79	0	0	0					
Mr Simon Linnett, Trustee	Science Museum	0	8	0	0					
Dr Veronique Bouchet, Trustee	Breast Cancer Campaign	666	0	433	0					
Professor Susan Dilly, Board Member	Human Tissue Authority	0	2	0	0					

Notes to the financial statements (cont)

31. Surplus/(deficit) on continuing operations for the year

The surplus/(deficit) on continuing operations for the year is made up as follows:

	2013	2012
	£000	£000
QMUL's surplus/(deficit) for the year before Gift Aid and gain on sales of fixed assets	8,504	(10,105)
Deficit retained by subsidiary undertakings	(2,916)	(2,610)
Elimination of losses on intra-group transactions on consolidation	3,354	3,083
Total	8,942	(9,632)

32. Contingent liability

QMUL has entered into a guarantee with Barclays Bank PLC to meet the liabilities arising from a £16,500,000 loan to Queen Mary Bioenterprises Limited for the purpose of constructing a technology innovation centre at Whitechapel. As at 31 July 2013 the value of the draw downs including bank interest stood at £16,981,157 (2012 £16,981,157). QMUL's liability under the guarantee is contingent upon Queen Mary Bioenterprises Limited being unable to meet the schedule of loan repayments. At present it is expected that Queen Mary Bioenterprises Limited should be able to meet the repayments.

Queen Mary Bioenterprises Limited has received funding through a government grant to build the QMB Innovation Centre. This grant would become a liability in the event of the company being unable to meet the terms of the grant agreement. As at 31 July 2013 the value of the government grant received stood at £7,000,000, of which a cumulative amount of £2,622,099 has been taken to the profit and loss. QMUL has agreed that should certain conditions be met, it would acquire the QMB Innovation Centre on 31 July 2020 for educational use.

Nanoforce Technology Limited received £1,800,000 and £1,300,000 in grant funding from the London Development Agency/Greater London Authority and the Department for Trade and Industry/Technology Strategy Board respectively that was subject to certain deliverables. The main deliverables have been met and it remains for the company to keep trading until the end of 2015 to complete the conditions of grant.

Council and Audit and Risk Committee Membership

Council Membership 2012/13

Chairman	Sir Nicholas Montagu	
Treasurer	Mr Simon Linnett	
Vice-Chairman	Mr Jocelin M St J Harris (resigned 31 August 2012)	
Vice-Chairman	Ms Elizabeth Hall	
Ex Officio Members		
The President and Principal	Professor Simon Gaskell	
The President of the Students' Union 2012/13	Mr Babatunde Williams (resigned 31 July 2013)	
Nominees of the President and Principal		Tenure ends
Vice Principal and Executive Dean (Humanities and Social Sciences)	Professor Morag Shiach	23/01/2016
Vice Principal, School of Medicine and Dentistry	Professor Richard Trembath	31/08/2015
Elected Members [Staff]		
Professor Nick Lemoine		30/09/2013
Professor Raymond Kuhn		30/09/2013
Professor Mike Watkinson		30/09/2014
Professor Mark Caulfield		30/09/2014
Ms Cheryl Mason		17/07/2016
External Members		
Ms Kathryn Barrow (appointed 1 January 2013)		31/12/2016
Ms Veronique Bouchet		31/12/2015
Ms Mary Elford		12/12/2015
Ms Elizabeth Hall		12/12/2015
Mr Jocelin M St J Harris (resigned 31 August 2012)		31/08/2012
Mr Richard Learwood		31/12/2016
Mr Simon Linnett		19/10/2014
Mr Vernon McClure		31/08/2013
Sir Nicholas Montagu		18/01/2014
Ms Patricia Newton (appointed 1 September 2012)		31/08/2016
Mr David Thomas		12/12/2015
Mr Anthony Walker		31/08/2014
Mr John Yard		31/08/2014

Audit and Risk Committee Membership 2012/13

Chairman [an external member of Council]

Mr David Thomas

Up to four other external members of Council

Ms Elizabeth Hall

Mr Vernon McClure

Ms Kathryn Barrow



 Queen Mary
University of London

Queens' building

reception
careers advisory centre
college administration
computing services
economics

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