Queen Mary University of London

2022/23 Financial Results

Outcome requested:	Council is asked to: • note the comparison of the P12 management accounts and the draft audited accounts for 2022/23; • note the financial summary results for the financial year 2022/23 of the subsidiary and associated companies; • **approve** the Going Concern assessment provided to the auditors for the Financial Statements for the year ended 31 July 2023; • **approve** the Financial Statements for onward submission to the OfS.
Executive Summary:	• This report comprises: • A reconciliation of the 2022/23 financial performance as set out in the financial statements to the P12 Management Accounts. • A summary of the financial results for the subsidiary and associated companies of the 2022/23 year. • A Going Concern assessment. Council is responsible for ensuring the annual financial statements are prepared on the going concern basis. To reach this assessment Council should be satisfied that the University has adequate resources to continue in operation for the foreseeable future, and for this reason, the going concern basis continues to be adopted in the preparation of the financial statements. • The draft 2022/23 Financial Statements. These are subject to final review and audit clearance by the External Auditors. The financial statements will be filed with the OfS at the end of November and published on the QMUL website shortly after. The financial results will also be submitted to the OfS, with additional analysis as part of the Annual Financial Return which will be finalised by mid-January 2024.
QMUL Strategy: strategic aim reference and sub-strategies [e.g., SA1.1]	Financial Sustainability
Internal/External regulatory/statutory reference points:	
Strategic Risks:	12. (1) Failure to generate adequate additional income to enable investment in order to achieve 2030 goals. 12. (2) Failure to control expenditure to levels that enable adequate cash generation for investment in the 2030 strategic objectives.

Equality Impact Assessment:	N/A
Subject to prior and onward consideration by:	ARC 14 November 2023 FIC 15 November 2023 Council 23 November 2023
Confidential paper under FOIA/DPA	N/A
Timing:	ARC 14 November 2023 FIC 15 November 2023 Council 23 November 2023
Authors:	Phillipa Scott, Head of Financial Accounting Jeremy Beal, Head of Reporting and Financial Planning Hannah Drinkwater, Senior Finance Partner Reitesh Desai, Finance Director (QMI) Andrew Gladin, Deputy Director of Finance Janice Trounson, Deputy Director of Finance Thomas Skeen, Director of Finance Karen Kröger, Chief Financial Officer
Date:	7 November 2023
Senior Management/External Sponsor	Karen Kröger, Chief Financial Officer

Reconciliation of Net Operating Surplus and Audit of Financial Statements

Since the compilation of the P12 Management Accounts there have been a small number of adjustments which have had an impact on the reported surplus for the year.

£m	Surplus	Capital Expenditure	Cash including cash on deposit
Per P12 Management Accounts	£95.7m	£57.9m	£353.3m
Per Draft Financial Statements	£92.0m	£59.6m	£354.3m
Difference	-£3.7m	£1.7m	£1.0m

The changes relate to final adjustments to below the line accounting entries for depreciation, capital receipts and fair value movements and additional expenditure accruals.

The reconciliation of surplus is as follows:

	£m	
Surplus per P12 Management Accounts		**95.7**
Cash Generation changes		
Additional non pay expenditure accruals	-5.1	
		-5.1
Finalisation of 2022/23 technical entries*		
Depreciation*	1.0	
Capital receipts*	0.3	
Fair value movement in unsecured notes*	0.1	
		1.4
Surplus per Statutory Accounts		**92.0**

** no impact on Cash Generation*

The additional expenditure accruals comprise a further £5.1m accrual for non pay expenditure processed in Period 13, as noted within the draft P12 results. Included within this is £0.2m of capital to revenue (project) expenditure.

On the same basis as the accruals for operating expenditure there was a further accrual of capital expenditure totalling £1.7m, resulting in a corresponding increase in capital expenditure for the year.

The change in the reported cash figure reflects the consolidation of final balances for all of the subsidiary undertakings.

The audit is ongoing at the time of writing and therefore the financial statements are subject to final review and audit clearance by the External Auditors.

Accounting Estimates and Judgements

The following are the critical judgements and estimates that the group has made in the process of applying the accounting policies in the financial statements:

1) **Pension provision assumptions**

   In the judgement of the University it is appropriate to account for the USS past deficit obligation in accordance with the deficit recovery plan agreed after the 2020 valuation. This requires payment of 6.2% of salaries over the period 1 April 2022 to 31 March 2024 from when it increases to 6.3% until 30 April 2038. The deficit recovery liability in the financial statements reflects this plan. The rate used to discount future contributions to the USS deficit recovery plan at the balance sheet date reflects the yield on high quality corporate bonds consistent with the currency and estimated period of future payments. The rates used are based on work commissioned by the British Universities Finance Directors' Group (BUFDG) from Mercer for the HE sector as a whole.

   The other assumptions used for calculation of the provision are the estimated salary inflation in future years (4.0% year 1&2 then 2.5% for years 3-15) and estimated changes in number of staff who are members of the USS pension scheme in future years (increases of 5.2%; 1.5%; 1.8%; 1.5%; 1.4% across the first five years and then 1% thereafter). These are consistent with our internal financial forecasting assumptions. The new deficit recovery scheme and the forecast increase in estimated staff numbers included in the calculation has decreased the USS pension provision from £164.8m at 31 July 2022 to £154.9m at 31 July 2023.

   The 2023 Valuation of the USS is in progress at the time of preparing these accounts, and is anticipated to conclude in early 2024. Following the conclusion of the 2023 Valuation, any changes will be reflected in future sets of accounts.

2) **Classification and valuation of Loan Notes**

   In January 2019 QMUL issued £160m of unsecured senior notes. £96.5m of these notes are being treated as non-basic financial instruments. This is due to the swap breakage clause in the Note Purchase Agreement which exposes the issuer to foreign exchange risk in the event of default or early repayment. As non-basic financial instruments, the loan notes are measured at fair value in the Financial Statements with any movement in value recognised through the consolidated statement of comprehensive income and expenditure. The University has obtained an independent fair value of the non-basic loan notes from Mazars, and this is the value included in the financial statements. The valuation is based on the assumption that the loan notes will be held until maturity and will not be prepaid early. This assumption is consistent with the University's financial plans. It should be noted that the classification as non-basic will cause volatility in the reported results, 2022/23 saw a reduction in liability of £15.5m and a release of this amount to the Statement of Consolidated Income and Expenditure.

3) **Estimation of doubtful debts**

   Queen Mary is required to make judgements about the recoverability of its debtor balances and to make provision for doubtful debts as appropriate. A bad debt provision of £1.1m has been made in the 2022/23 Financial Statements (£1.4m in 2021/22). The estimates and associated assumptions used to make this provision are based on historical experience and other factors that are considered relevant and are in accordance with the bad debt policy. FIC receives an annual summary report of debt written off each year. Debts with a value of £442k debts were approved for write off, representing 0.07% income. The recoverability of the intercompany balance between QMUL and QMUL Malta Ltd is considered separately at point 4) below.

4) **Recoverability of Malta intercompany balance**
The intercompany debtor owed to QMUL by QMUL Malta Ltd at 31 July 2023 is £5.8m (£6.0m at 31 July 2022). Over the next 3 years this is expected to decrease before being fully repaid by 2025/26. In the judgement of management no provision is required at this time as the balance is expected to be fully repaid. The Malta programme has now become established and the 2023/24 recruitment was slightly over target and continuation rates for existing students was higher than planned.

Should there be any material downside variation to the current forecast then a provision would be triggered.

5) **Provision for outstanding legal claims**
We have considered all legal claims outstanding at 31 July 2023 and have made provision where it is probable that payment will be made and the amount of the claim can be reliably estimated. Consequently costs of £0.1m have been accrued (£0.04m at 31 July 2022).

6) **Capital building projects - Asset in Course of Construction**
The University purchased a plot at Whitechapel for £9.4m which has been capitalised and held in the Asset Register as land. This enables QMUL to develop the site for a Life Sciences building as part of a wider development in Whitechapel by third parties.

Preliminary design and development costs with a value of £2.0m are included in the balance sheet as Assets in the Course of Construction as they are judged to be directly attributable to the future development of the site. Planning consent is currently pending. The indicative future development cost is likely to total £143.0m. The project timeline currently indicates that construction work on site will not start until mid-2025.

At this stage there is no reason to believe that this project will not continue so holding these costs in the balance sheet as an asset in course of construction is reasonable.

Going Concern Assessment

Council is responsible for ensuring the financial statements are prepared on a going concern basis, unless it is inappropriate to presume that the University will continue in operation. To reach this assessment Council should be satisfied that the University has adequate resources to continue in operation for the foreseeable future, and for this reason, the going concern basis continues to be adopted in the preparation of the financial statements.

Council should review cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements (23 November 2023). Council should take account of severe but plausible downsides. The review has assessed the period to 31 July 2025, a 20 month period from the date of approval of the financial statements. The going concern assessment is appropriate if Council considers:

- the University will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period)
- The University will be able to meet its loan covenants over the same period.

The current student enrolment position indicates there will be a shortfall on tuition fee income in 2023/24 for new students of between £20m to £25m. This equates to a shortfall versus budget of between 5% and 6% in total tuition fee income. Work is underway to identified mitigations to offset the shortfall.

A plausible downside scenario has been considered, which incorporates a 10% underachievement compared to budget in total tuition fees (net of waivers) in 2023/24 and 2024/25. This equates to £39m, and so would be a further underachievement of £14m- £19m. In addition, the scenario models a reduction in transnational education and increased inflation on pay and non-pay.

A stress test has also been considered, which incorporates a further underachievement against budget in total tuition fees (of 20% in both 2023/24 and 2024/25), a greater reduction in transnational education, and further inflationary pressures.

The analysis shows that in both scenarios, incorporating reasonable mitigations where required, the University would have sufficient funds to meet its liabilities and would be able to meet its loan covenants over the going concern period.

Financial forecasts

The University's financial budget (as approved by Council at its March 2023 meeting) indicated that under the approved budget:

- The University would maintain liquidity above the minimum level of £70m stated in the Treasury Management Policy.
- Meet all loan covenants.

Current recruitment position

On 30 September 2023 council received an update on student recruitment, providing a view of the position for 2023/24. This outlined student recruitment targets will not be met and forecast a financial income shortfall of between £20m to £25m, as noted above.

Table 1 outlines the student enrolment position as of 10 October 2023 and suggests that we will see a shortfall versus budget in **new** students of between 8.7% and 13.3%. The largest shortfall, and the area with the biggest financial impact, is overseas students, particularly on PGT programmes. This has been driven by a drop in students from China.

Home student numbers will also be below target, with the greater impact from home PGT students; across the sector institutions are struggling to grow their home PGT numbers in light of a relatively buoyant job market and high cost of living. Home UG numbers will also be below target overall, but performance varies across subject area with some areas continuing to exceed targets, while other areas, particularly in the humanities, have significantly missed their recruitment targets.

Table 1 – New student enrolment (London taught programmes) at 10th October 2023

		Target	Enrolments to date	Potential enrolments	Variance Target vs enrolment to date		Variance Target vs potential enrolments	
UG	Home	4,143	3,831	3,952	(312)	(7.5%)	(191)	(4.6%)
UG	Overseas	1,557	1,210	1,315	(347)	(22.3%)	(242)	(15.5%)
Total UG		**5,700**	**5,041**	**5,267**	**(659)**	**(11.6%)**	**(433)**	**(7.6%)**
PGT	Home	1,670	1,487	1,542	(183)	(11.0%)	(128)	(7.7%)
PGT	Overseas	4,108	3,429	3,665	(679)	(16.5%)	(443)	(10.8%)
Total PGT		**5,778**	**4,916**	**5,207**	**(862)**	**(14.9%)**	**(571)**	**(9.9%)**
Total		**11,478**	**9,957**	**10,474**	**(1,521)**	**(13.3%)**	**(1,004)**	**(8.7%)**

Current financial performance
The FIC paper which is also part of this agenda provides the management accounts to 30th September 2023. This shows cash generation for the first 2 months of the years is broadly in line with budget. Whilst income is behind the level budgeted, as is research income (which is offset by corresponding cost underspends), this has been offset by savings in pay and non pay costs, as well as capital to revenue and strategic investment expenditure. The September management accounts sets out the forecast for the full year, and outline plans to ensure cash generation targets are delivered. Cash for the 23/24 year is forecast to remain above the level budgeted due to slippage in the infrastructure plan. Cash at 30 September 2023 was £424m (30 September 2022 £420m).

Uncertainties and scenarios
There are uncertainties relating to the going concern period. For the University the most significant uncertainty relates to tuition fee income, particularly international student income and transnational education due to geo-political factors. There is also significant inflationary pressure.

We have considered a **plausible downside** scenario as follows*:*

a. Home and Overseas Students: A 10% reduction in budgeted total tuition fee income (net of waivers) in both 2023/24 and 2024/25.
b. Transnational education: A decrease in contribution of 20% in 2023/24 and 40% in 2024/25 due to geo-political instability.
c. Pay: an additional 1.0% per annum in 2023/24 and an additional 1.5% in 2024/25. This would be above 1.0% above the pay award already implemented and budgeted for in 2023/24, which would continue into the following year.
d. Non-Pay: an additional 1% non-pay inflation in 2023/24 and 3% in 2024/25.

Table 2 provides the detail of the scenarios and Appendix 1 shows the financial impact. This shows in the downside scenario, without mitigating actions, cash would fall to £252m by 31 July 2024 and further decrease to £146m by 31 July 2025. All loan covenants would be met.

A **stress** scenario has also been considered, as follows:

a. A 20% reduction in budgeted tuition fee income (net of waivers) in both 2023/24 and 2024/25.
b. Transnational education: A decrease in contribution of 30% in 2023/24 and 60% in 2024/25.
c. Pay: an additional 3% per annum in 2023/24 and an additional 2% in 2024/25. This would be above 3.0% above the pay award already implemented and budgeted for in 2023/24, which would continue into the following year.
d. Non-Pay: an additional 3% non-pay inflation in 2023/24 and 2024/25.

In this scenario, before mitigations, cash would fall to £205m by 31 July 2024 and to £54m by 31 July 2025, though this is outside of the 12 month going concern period. Cash would then increase over the next few months as student fees are received before decreasing again.

The stress scenario shows one loan covenant would be breached in 2023/24, and four loan covenants would be breached in 2024/25, without mitigations. All loan covenants would be met if mitigating action was taken.

a. Operating cash flow to borrowing costs >1.1:1 average over 3 year period.
b. Average cashflow over 3 years shall be no less than 110% of debt servicing costs.
c. EBITDA to finance charges not <1.0:1 in any one year.
d. Cash less monthly expenditure is greater than 0.

Table 2 – Scenarios

	Plausible Downside		Downside with Mitigations		Stress Test		Stress Test with Mitigations	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
Tuition Fees	-10%	-10%	-10%	-10%	-20%	-20%	-20%	-20%
Transnational Education	-20%	-40%	-20%	-40%	-30%	-60%	-30%	-60%
Pay Inflation	1.0%	1.5%	1.0%	1.5%	3.0%	2.0%	3.0%	2.0%
Non-Pay Inflation	1.0%	3.0%	1.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Mitigations								
Curtail staff recruitment	0.0%	0.0%	-2.0%	-2.0%	0.0%	0.0%	-5.0%	-7.5%
Release contingencies	0%	0%	-25%	0%	0%	0%	-50%	-50%
Non-pay savings to offset inflation	0%	0%	-3%	0%	0%	0%	-5%	-5%
Release capital	0%	0%	-20%	0%	0%	0%	-25%	-25%

Mitigations

In the scenarios described above there are several mitigations available to the University which would be employed as required to manage the situation.

The mitigations are as followed:

a. Curtailment of planned staff recruitment. Given the fall in student numbers the same level of recruitment would not be required – value in the stress test c£17m in 2023/24.
b. Use of other budgeted contingencies – value in the stress test £12.5m in 2023/24.
c. 5.0% reduction in other expenditure – value in the stress test c£8.4m in 2023/24.
d. Reduction in planned capital spend – value in the stress test £66.6m cumulative across the two years, leaving planned investment over the 2 financial years of £199.9m.

Table 2 indicates which mitigations have been modelled for each scenario.

Table 3 summarises the impact of the scenarios and the associated mitigations:

Impact of Scenarios	Plausible Downside		Downside with Mitigations		Stress Test		Stress Test with Mitigations	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
Tuition Fees	(39.3)	(41.9)	(39.3)	(41.9)	(78.6)	(83.8)	(78.6)	(83.8)
Transnational Education	(1.3)	(2.6)	(1.3)	(2.6)	(1.9)	(4.0)	(1.9)	(4.0)
Pay Inflation	(3.4)	(5.5)	(3.4)	(5.5)	(10.1)	(7.3)	(10.1)	(7.3)
Non Pay Inflation	(1.7)	(5.0)	(1.7)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)
Total I&E and Cash Risk	**(45.6)**	**(55.0)**	**(45.6)**	**(55.0)**	**(95.7)**	**(100.1)**	**(95.7)**	**(100.1)**
Mitigations								
Curtail Staff Recruitment	0.0	0.0	6.7	7.3	0.0	0.0	16.8	27.3
Release Contingencies	0.0	0.0	6.2	0.0	0.0	0.0	12.5	12.5
Non-Pay savings to offset inflation	0.0	0.0	5.0	0.0	0.0	0.0	8.4	8.3
Reduced Depreciation	0.0	0.0	1.4	0.0	0.0	0.0	1.7	1.6
Total I&E Mitigations	**0.0**	**0.0**	**19.4**	**7.3**	**0.0**	**0.0**	**39.4**	**49.8**
Re-phase Capital	0.0	0.0	27.3	0.0	0.0	0.0	34.2	32.5
Total Mitigations	**0.0**	**0.0**	**46.7**	**7.3**	**0.0**	**0.0**	**73.5**	**82.2**
Net Impact I&E	**(45.6)**	**(55.0)**	**(26.3)**	**(47.7)**	**(95.7)**	**(100.1)**	**(56.3)**	**(50.3)**
Net Impact Cash (exc. depreciation)	**(45.6)**	**(55.0)**	**(0.3)**	**(47.7)**	**(95.7)**	**(100.1)**	**(23.8)**	**(19.5)**

Appendix 1 summarises the I&E and covenants under each scenario. This shows that in the downside scenario the University would have sufficient liquidity and would meet all covenants without mitigations. In the stress test mitigations would ensure sufficient liquidity and all loan covenants were met.

Recommendation
Based on the analysis of risk and available mitigations, it is the judgement of the University management that these mitigations mean that there is no significant doubt about the going concern basis. The Finance and Investment Committee is invited to recommend this assessment to Council.

Appendix 1: Scenarios	Approved Plan		Plausible Downside		Downside with Mitigations		Stress Test		Stress Test with Mitigations	
Summarised I&E £m	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**
Income £m										
Research	159.1	180.8	159.1	180.8	159.1	180.8	159.1	180.8	159.1	180.8
Tuition fees net of waivers	411.5	439.1	368.5	389.2	368.5	389.2	327.4	343.3	327.4	343.3
Funding body and capital grants	95.1	97.7	95.1	97.7	95.1	97.7	95.1	97.7	95.1	97.7
Other income	70.0	68.7	70.0	68.7	70.0	68.7	70.0	68.7	70.0	68.7
Total Income	**735.8**	**786.3**	**692.8**	**736.3**	**692.8**	**736.3**	**651.6**	**690.4**	**651.6**	**690.4**
Expenditure £m										
Staff costs	396.9	439.9	398.8	442.0	392.1	434.7	404.8	442.1	388.0	414.8
Non staff costs	255.3	263.2	256.0	266.2	244.8	266.2	258.9	265.2	238.1	244.4
Interest charges	6.7	6.4	6.7	6.4	6.7	6.4	6.7	6.4	6.7	6.4
Depreciation	35.2	41.7	35.2	41.7	33.9	41.7	35.2	41.7	33.5	40.1
	694.2	**751.3**	**696.9**	**756.4**	**677.5**	**749.1**	**705.7**	**755.5**	**666.4**	**705.7**
Surplus/Deficit from Operations	**41.5**	**35.0**	**(4.1)**	**(20.0)**	**15.3**	**(12.8)**	**(54.1)**	**(65.1)**	**(14.8)**	**(15.3)**
Total Cash (Cash and Cash on Deposit)	**294.6**	**242.6**	**252.0**	**145.9**	**296.7**	**195.8**	**205.3**	**53.9**	**276.0**	**201.8**
Covenants										
Lloyds TSB £60M Loan										
Borrowing costs <7% of total consolidated income exc. capital grants	**1.34%**	**1.25%**	**1.43%**	**1.33%**	**1.43%**	**1.33%**	**1.52%**	**1.42%**	**1.52%**	**1.42%**
Headroom: Income	577.9	627.9	534.9	577.9	534.9	577.9	493.7	532.0	493.7	532.0
Deficit in discretionary reserves cleared 3yrs after year end										
Headroom: discretionary reserves	656.0	691.0	610.4	590.4	629.8	617.0	560.4	495.3	599.8	584.4
Operating cash flow to borrowing costs >1.1:1 average over 3 year period	**8.39**	**5.93**	**6.91**	**2.55**	**7.51**	**3.33**	**5.28**	**(0.67)**	**6.55**	**2.17**
Barclays QMI £16.5M Load										
Average cashflow over 3 years shall be no less than 110% of its debt servicing costs	**993.38%**	**727.55%**	**837.56%**	**371.00%**	**900.98%**	**454.11%**	**666.21%**	**31.85%**	**800.06%**	**331.36%**
Borrowing shall not at any time exceed 70% of Net Assets excluding pension provisions	**22.35%**	**21.34%**	**23.62%**	**24.09%**	**23.06%**	**23.29%**	**25.18%**	**27.42%**	**23.93%**	**24.27%**
Private Placements £160M Unsecured Notes										
Net Indebtedness to Net Assets not > 0.6	**0.14**	**0.12**	**0.22**	**0.26**	**0.16**	**0.19**	**0.30**	**0.43**	**0.19**	**0.19**
EBITDA to Finance Charges not <1.0:1 in any one year	**9.84**	**10.85**	**3.51**	**2.89**	**6.01**	**3.95**	**(3.42)**	**(3.62)**	**1.80**	**3.34**
EBITDA to Finance Charges not t <1.5 for 3 consecutive years	13.40	10.97	11.32	6.30	12.14	7.47	9.03	1.88	10.75	5.87
Cash and Cash on Deposit - Monthly Expenditure >0	**239.6**	**183.5**	**196.9**	**86.4**	**243.0**	**136.9**	**149.4**	**(5.5)**	**223.2**	**146.4**

Queen Mary University of London

Financial Statements 2022/23

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Queen Mary at a glance

Queen Mary University of London is a leading research-intensive University with a difference — one that opens the doors of opportunity to anyone with the potential to succeed. It is a unique place of world-leading research, and unparalleled diversity and inclusivity, that lives and breathes its history and heritage, and is embedded in the communities it serves.

Our mission is to create a truly inclusive environment, building on our cherished diversity, where students and staff flourish, reach their full potential and are proud to be part of the University. Dedicated to the public good, we generate new knowledge, challenge existing knowledge, and engage locally, nationally and internationally to create a better world.

33,000

We have over **33,000** students, of which **23,000** are undergraduate

Most inclusive

We are recognised as **the most inclusive Russell Group university** for undergraduate student recruitment. In November 2021, an Institute of Fiscal Studies report, in partnership with the Sutton Trust and the Department for Education, named us as the best University in the country for social mobility.

7th

We are a leading research-intensive University, ranked 7th in the UK for the quality of research outputs in the most recent assessment.

REF 2021[1]

Top 10

We are among the top 10 per cent of Universities worldwide.

QS World Rankings 2024, published in 2023

Platinum Watermark

We are a leader in public engagement, having been the first university to receive the Platinum Watermark from the National Coordinating Centre for Public Engagement in 2021.

170

With staff and students from over **170 nationalities**, we are one of the most diverse higher education institutions in the world.

The profile of our domestic undergraduate students in London is distinctive for a Russell Group University and any research-intensive University across the world.

93%

of our students are from state schools.

47%

first into higher education.

71%

BAME (Black, Asian and minority ethnic).

39% from households where the annual taxable income is less than £35k (of which 31% are from households where the annual taxable income is less than £20k), qualifying them automatically for the Queen Mary University of London Bursary.

1 https://www.timeshighereducation.com/news/ref-2021-outputs-scores

Statement from the Chair of Council

As Chair of Council, it is a pleasure to present this set of financial results alongside our annual report, which demonstrates that our Strategy 2030 continues to provide the clear vision that guides our delivery plans and the excellent progress in pursuit of our Strategy 2030 goals.

I commend the University community on the significant increase in research grant income, as highlighted in the President and Principal's report, alongside improved career outcomes for our graduates. The 2022/23 academic year also saw further increases in student recruitment, although the external environment has since changed and is presenting challenges for the sector as a whole. I and my fellow members of the University's Council continue to challenge our University's leaders to ensure students have the academic and pastoral support to progress to the next year of study, particularly given the great diversity of our student population, and that our students have the very best experience during their time at Queen Mary.

Whilst the rhythm of the University calendar repeats, it also remains the case that each year brings its own challenges and moments of success. It was wonderful, following the years of disruption due to the pandemic, to finally return all our graduation ceremonies to the historic surroundings of our Mile End campus. It was equally heart-warming to see our campuses full of prospective students in June as we delivered our biggest and best Summer Open Day to date.

All that said, the external environment has presented challenges to us all, including pressures on our operating costs, planning delays that have limited our ability to expand and refurbish our estate as quickly as we had planned; and we are acutely aware of the impact of the cost-of-living pressures on our students and staff. I remain grateful to staff across the University this year for their tenacity and creative problem-solving and congratulate them on their successes outlined in this report.

This year has again seen industrial relations challenges impacting the whole higher education sector. Our Council conducted, in October 2022, a review of industrial relations at Queen Mary, which is available on our website. We recognised that no-one involved wishes to impact our students' education or to damage the sense of collegiality that is a hallmark of this institution. We also concluded that the response of the University to industrial action as it occurs continues to be proportionate and that academic standards continue to be upheld.

The great privilege of being Chair of Council is to be a public face of the University and to share in events where we open ourselves to the wider community. This year, our programme of events and alumni talks under the banner of Queen Mary Presents has continued to grow alongside our well-established Festival of Communities. I delight in welcoming alumni once a year to the House of Lords even as we establish alumni chapters across many continents, and through our honorary degrees we recognise alumni and public figures who represent the very best in our values.

I know, as a University community, we aspire to do more. Queen Mary is a unique and special place, with our world-class research feeding into and drawing from our educational practice, all of which is grounded in our sector-leading approach to civic and public engagement. We are incredibly proud of our history and heritage, and our four founding London-based institutions. We seek to deliver for our local communities and for wider society. As we recognised in Strategy 2030, one of our challenges and opportunities is to ensure Queen Mary's reputation across the world is commensurate with our quality; that the whole world knows about this special institution.

It remains an honour and a privilege to be part of our special University.

Strategy Review 2022/23 by the President and Principal

Queen Mary is a truly unique and special institution. We combine world-leading research and excellent education with opening the doors of opportunity, both to those on our doorstep in a truly diverse East London, and those who are attracted to our University from across the world. These financial statements indicate that we are making good progress towards our 2030 strategy.

We continue to grow in a sustainable way and allow our unique contribution to society to be accessed by even more students, as well as generating more real-world impact through our sustained growth in research grant income. Alongside this, our financial sustainability means that we can, and will, continue to invest in our strategy aspirations.

A recently published independent analysis carried out by London Economics estimates our impact on the UK economy as approximately £4.4bn (2021/22 reference data). This value creation is well balanced across our work with impact, with £1.4bn from research and knowledge exchange activities, £1.3bn from teaching and learning activities, £1.1bn from our international students and £610m from our operating and capital expenditure as a major employer locally and across the UK. The report confirms that for every £1 we spent in 2021/22, we generated £7 of economic benefit for the UK. This ratio is higher than many other universities; the average for all Russell Group universities is £5.50 of benefit for every £1 spent. In times of economic challenge, it is particularly important that we generate the greatest return on investment, and I am pleased that this report confirms just that.

I am also pleased to say that a Queen Mary education is becoming increasingly sought after. Our application numbers have grown from 63,000 in 2017 to over 108,000 in 2022/23, and where we once struggled to attract 2,000 students to an open day, we had over 13,000 registrations for our June 2023 open days. Equally, we have cemented our position in the Top 20 of universities targeted by the largest graduate employers, which shows we are providing a high-quality education and skills that are readily applied in the workplace, with an increase to 84 per cent of our graduates in skilled employment or further study 15 months after graduation (KPI 8).

We continue to uphold our commitment to social mobility, launching the London City Institute of Technology in partnership with Newham College as a leading provider of degree apprenticeships within the Russell Group, and thanks to our financial performance we have been able to make investments to further enhance our careers and student support services, as well as additional financial support for students affected by the current cost-of-living challenges. We have also launched a new facility in Ilford to support medical teaching, thanks to a strong partnership with the London Borough of Redbridge.

In our strategic goal of opening the doors of opportunity to any student with the potential to succeed, regardless of their background, we continue to make great progress. Between 2016/17 and 2021/22, we saw a 63 per cent increase in student applications. This helped deliver in the same period an 83 per cent increase in overseas students, a 34 per cent increase in UK students and a 60 per cent increase in transnational education students. We have achieved this without compromising on the diversity of our student body, including the inclusive demographic of our home undergraduate population that contributes to our position as the single greatest champion of social mobility among the Russell Group and a leader among all UK universities.

Even with that, our global reach continues to deepen. As we welcome students from over 170 countries on our London campuses, we also graduated our second cohort of students from our Malta MBBS programme, and I was personally delighted to return to China to see the impact of a Queen Mary education through our Chinese partners at their graduation ceremonies and to meet our rapidly growing alumni chapters in the region to allow our graduates to build a lifelong association with Queen Mary.

These financial statements show our overall income has increased to £680m, a significant increase since 2017 (£430m) when we first formulated our current strategy, and our research awards will top £170m for the first time. This success comes against a backdrop of an increasingly competitive external funding environment, which has become ever more so in recent years. Queen Mary's success is testament to the novelty and ambition of the questions our researchers seek to address and the excellence of their approach, underpinned by our commitment to translating our discoveries to deliver societal and economic benefit through innovation, impact and engagement. Of particular note are the successful renewal of our NIHR Barts Biomedical Research Centre (£20.9m), a prestigious EPSRC Prosperity grant for future innovations in wireless technology to Professor Yang Hao (Electronic Engineering and Computer Science, £2.5m), and Horizon Europe funded work on geographies of sexual health to Dr Sydney Calkin (Geography, €1.5m).

Queen Mary's ethos as a leading, research-intensive University is built on a simple belief: when we embrace diversity of thought, opinion and ideas, by bringing together people from different backgrounds, we can achieve the previously unthinkable and take the world to new places. This combination of research intensity and diversity of thought means we play a major role in informing public policy and make a real difference. For example, the Centre for Prevention and Cancer Screening team secured over £13m from NIHR for a Public Policy Research Unit in cancer awareness, critical to ensuring early detection and better outcomes for patients. This success in turn led to another NIHR award of £3m in Dementia and Neurodegeneration policy.

Our Research Highways showcase many of the achievements celebrated in our awards, with a focus on life-long health, digital information, sustainability and energy, performance and culture, and accelerating innovation. It was a pleasure to join our inaugural Research and Innovation awards earlier this year and to celebrate the excellent research and innovation we do and the people and teams which make it possible. Our first awards attracted over 200 nominations from across the university, recognising, among others, our professional services staff, our technicians and our early career researchers.

This year also marks the first year of the establishment of the Precision Healthcare University Research Institute (PHURI), the second University Research Institute alongside our Digital Environment University Research Institute, established as part of Strategy 2030. PHURI unites multi-disciplinary research to drive personalised healthcare from East London, addressing unmet health needs and improving the lives of our local communities and across the world. It speaks directly to our commitment to our local community, and our ambition to deliver positive change to those who are our neighbours in East London. The Institute's research team are already producing a wide range of excellent quality research, with 11 papers published in nature journals already in 2023.

Going forward, government changes for the future of research assessment reinforce our focus on our research culture and environment as an important enabler of the quality of our research outputs where we have previously performed well. Our research strategy will continue to focus on enabling all staff to produce the highest quality, internationally leading, outputs and impacts, which we believe will support our continued strong performance in this element of the submission.

Whilst we maintain a pipeline of strategic investments, such as our recently approved building for the School of Business and Management, our sustained net cash inflow from operating activities as a percentage of income shows that we are in a good position to navigate the strong headwinds facing the UK sector over the next few years.

We have been on a significant journey since joining the Russell Group in 2012, and the government's latest Knowledge Exchange Framework (KEF) reaffirmed our position as one of the UK's leading research-intensive universities and a leader in knowledge exchange, for public and community engagement, research partnerships, and IP and commercialisation. We now have 13 live Innovation UK funded Knowledge Transfer Partnerships and a growing number of industry sponsored studentships, with a 52 per cent increase this year. Our public engagement is embedded in all we do, and we remain the only University in the UK to be awarded Platinum-level Engage Watermark, in recognition of our excellence in public engagement, from the National Co-ordinating Centre for Public Engagement.

In support of our knowledge exchange ambitions, and to cement our leading performance in the commercialisation of our research also recognised in REF 2021, we have been investing significantly in Queen Mary Innovations (QMI), our wholly owned technology transfer office. The investment is already showing fruit, with the announcement this October of the creation of the London Social Ventures Fund, supported by Research England. The new fund, delivered in partnership with UCL, other London universities, and business partners, will provide an innovative mix of funding and support to enable social ventures created by partner universities to capitalise on their potential.

We continue to support staff through the wider cost of living crisis through a 21 per cent increase to our London pay weighting alongside the sector's 5-8 per cent national pay increase, with an extra circa 3 per cent for those staff who progressed automatically through the annual increments. As well as increasing our hardship fund for students, 40 per cent of our home students automatically receive a substantial Queen Mary bursary.

I am thankful as ever to staff, students, alumni and all our friends of the University for their continued support to deliver the high aspirations of our Strategy. It is the contribution of our Queen Mary community that allow us to deliver our mission to transform lives, address inequalities and make new discoveries every single day.

Queen Mary 2030 Strategy

The central **aim** of our Strategy is to be the most inclusive University of its kind, anywhere.

Our **mission** is to create a truly inclusive environment, building on our cherished cultural diversity, where students and staff flourish, reach their full potential and are proud to be part of the University.

Dedicated to the public good, we will generate new knowledge, challenge existing knowledge, and engage locally, nationally and internationally to create a better world.

Our core values

- We will be **inclusive** and maintain our proud tradition of nurturing and supporting talented students and staff regardless of their background and circumstances, and continually enhance our strong engagement with our local and global communities.
- We are **proud** of the difference we can all make when we work collectively.
- We are **ambitious** and we will foster innovation and creativity, disrupt conventional thought, and respond with imagination to new opportunities to further our vision, mission and academic ambitions.
- We will be **collegial** and promote a strong collegial community through openness, listening, understanding, co-operation and co-creation, ensuring focused delivery of our collective vision and strategy.
- We will act with the highest **ethical** standards, and with integrity, in all that we do.

The pillars of our Strategy

Education and the Student Experience
We will deliver an outstanding, inclusive, world-class education and student experience, co-created with our diverse student body, enhanced by our world-leading research and latest technological developments.

Research and Innovation
We will be recognised for our distinctive, world-leading, curiosity-driven and applied research, and will continually build our research capacity for social, cultural and economic impact. Creating communities of diverse scholars across the globe is at the heart of our approach.

People, Culture and Inclusion
We aim to be the most inclusive University of its kind anywhere, recognising that our community of students and staff is at the heart of everything we do. Queen Mary is distinctive in linking its vision of inclusivity to the realisation of its academic mission.

How we create value for our partners and society

The economic impact of our activities

In 2023, Queen Mary commissioned London Economics to conduct an independent analysis of the economic impact of our work in the financial year 2021/22. In that year, we delivered a total economic impact of approximately £4.4bn. This is comprised of the following:

£1.4bn
impact of research and knowledge exchange activities

£1.3bn
impact of teaching and learning

£1.1bn
impact of educational exports

£0.6bn
impact of University spending

Queen Mary is distinctive for generating this impact relatively evenly across the three categories of research, teaching and exports, which indicates strengths in all three areas.

The report found that the economic benefit of Queen Mary's expenditure is particularly concentrated in our local areas of East London. In 2021/22 we delivered £610m of economic benefit to the UK from our expenditure, 67 per cent (£410m) of which occurred in London. And that expenditure supported 4,275 full-time equivalent jobs across the UK economy, of which 60 per cent (2,570) were based in London.

The report also found that we generated economic impact more efficiently than many of our peers. For every £1 we spent in 2021/22, we generated £7 of economic benefit. This ratio is higher than many other universities; the average for all Russell Group universities is £5.50 of benefit for every £1 spent. The report is available at qmul.ac.uk/about/economic-impact

Creating value for our partners and society

Public benefit

Queen Mary University of London is an exempt charity regulated by the Office for Students. It was established through the Queen Mary and Westfield College Act and the granting of a Royal Charter to promote, for the public benefit, education, research and scholarship and, for that purpose, to provide courses and instruction leading to degrees and other academic awards, to promote and undertake research, and to disseminate the results of such research. The advancement of education, identified as a charitable purpose in the Charities Act 2011, therefore underpins our Purpose and Values.

Queen Mary is known internationally as a world-leading research-intensive University. We are proud to be a member of the Russell Group. Our defining characteristic is seamlessly combining world-class education and research with a commitment to inclusion and social justice, and service to our local and global communities through public and community engagement and our civic commitment.

Public benefit is embedded in all our strategic aims and objectives. Ensuring the impact of our research is realised and felt across the world is a critical part of our work. We continue to build on the ambitions set out in our Civic University Agreement which was launched last year. As well as this more local focus, current and potential students of Queen Mary benefit from our broad research and engagement.

Creating value for our local area

Queen Mary has a long, proud and distinctive history in East London, built on four historic institutions stretching back to 1785 and beyond. While we have grown to become a global University, we remain committed to the vision of those founding institutions and to our local community. We are proud to remain an anchor institution for the communities of East London.

Our Civic University Agreement is an expression of this commitment and pride. It brings together new and existing activities from across the University to ensure our work meets the needs of our local friends and partners. We already know that the economic and social impact of our work on our local community is significant; the Civic University Agreement is the next step in our journey to formalise our commitment to civic and community engagement.

Queen Mary Students' Union is affiliated to more than 130 charities and voluntary organisations, which has enabled more than 1,000 students to volunteer, amassing almost 7,400 voluntary hours. The themes in the Civic University Agreement cut across all areas of our activity and we have begun delivering on our commitments. In September 2022, the London City Institute of Technology (LCIoT) launched, a partnership between Queen Mary University of London and Newham College, with support from key employers, the Greater London Authority and the London Borough of Newham. In the 2022/23 academic year, 202 students studied LCIoT programmes, with a forecast September 2023 intake of 490. Unused Queen Mary apprenticeship levy is also being volunteered to businesses in East London with less than 250 employees to allow them to bring on apprentices and provide paid training opportunities in East London.

Queen Mary remains the only University to hold a Platinum-level Engage Watermark, recognising our sector-leading sustained support for engaging the public in our core academic mission. The Award was made by the National Co-ordinating Centre for Public Engagement (NCCPE) following a robust assessment involving interviews with staff and students from across the University, and external stakeholders.

The Queen Mary Festival of Communities is a collaboration with local organisations which provides an opportunity to showcase Queen Mary's research, teaching and other initiatives to members of our local community. This summer's festival saw more than 7,000 members of the local community participating in activities including hands-on experiments, spoken word performances and live demonstrations. Over 50 per cent of the community organisations who took part this year were new to the event.

In October 2022 we celebrated Queen Mary's long-standing partnership with Social Action for Health. Social Action for Health is a community-based health charity working with local people most affected by health inequalities, which has been working with many research teams in the Faculty of Medicine and Dentistry and across Queen Mary for over 25 years. We held a collaborative event to bring together Queen Mary health researchers and local communities, exploring the future of community health shaped by recent research driven by young people.

Sharing Queen Mary space with local groups

Ocean Regeneration Trust supports residents living on the Ocean Estate, situated opposite the Queen Mary Mile End campus. In 2022-23, they approached Queen Mary's Centre for Public Engagement with the idea of hosting groups of residents in the new Queen Mary café in Stepney. Working with enthusiastic colleagues in the Catering team, the café became a regular base for the over-50s social group and the walking group. The impact on the residents involved has been significant, with local Bengali women feeding back that coming to a different community space has increased their confidence and provided an opportunity to meet new people, whilst being able to practice their English language skills.

Creating value for students and society through education

We aim to create a truly inclusive community that enables students from varied backgrounds to thrive, unleash their maximum potential, and subsequently make substantial contributions to society and the economy.

We take great pride in being the most inclusive university within the Russell Group. This unique position empowers us to effectively address deeply ingrained societal inequalities. This advantage is in part due to the distinctive makeup of our student body, setting us apart from other Russell Group institutions. Among our London-based undergraduates, over 92 per cent come from state schools. Notably, 75 per cent represent diverse ethnic backgrounds, underscoring our commitment to inclusivity. Furthermore, a remarkable 49 per cent are pioneers as the first in their families to pursue higher education.

Through our partnership with Newham College at the London City Institute of Technology we are specialising in delivering higher technical education and apprenticeships with a focus on STEM subjects, such as engineering, digital and construction. With £28m in funding from the Department for Education and the Greater London Authority, the Institute will play a vital role in delivering the technical skills that employers need to survive, and to create secure, high-quality roles.

We have also opened a new medical education facility in Ilford in a Redbridge Council building, under a long-term lease. The space will be used for education purposes, enabling medical students to learn both in the classroom and mock ward environment. This initiative is part of Redbridge Council's commitment to supporting local people to improve skills and gain employment by expanding local opportunities.

As part of our signature ACE (Active Curriculum for Excellence) approach to education, we have been working to develop and embed our Graduate Attributes across the board. These attributes were co-created with students with the support of Queen Mary Students' Union (QMSU).

In the School of Politics and International Relations, the Civil Society module gets students to step beyond conventional academic learning to immerse themselves with civic organisations that shape daily public life. This placement involves two days of weekly commitment throughout their final semester. Pre-placement workshops aid preparation and post-placement sessions foster reflective learning. From January to Easter, students engage directly with organisations, gaining insight into their operations and actively contributing to campaigns of personal resonance.

Continuing with our ethos of placing students at the heart of what we do, we developed a course, co-created with partners from the Queen Mary Academy, students from QMSU, colleagues from Professional Services and academics from all three faculties. These were the 'Effective Advising and Signposting' and the 'Co-chairing and co-creating with students in SSLCs' courses. Students were invited to join this initiative as educational advisors, collaborating on the programme's design and future involvement in guiding, overseeing, and assessing the training course.

We have completed our second year of running Peer-Led Team Learning (PLTL) workshops across three different schools. These workshops are facilitated by a near-peer who are regularly mentored and supported by the Queen Mary Academy and the Module Organiser. We have had over 1,000 students take part in these workshops and have trained over 100 peer leaders since 2021/22. Engagement in PLTL has shown significant increases in student confidence, sense of belonging and self-efficacy.

Student engagement and outcomes in modules with PLTL have also increased. In 2021/22 academic year, students who engaged in PLTL workshops outperformed their peers by 19.75 per cent in the same module. We have since hired two student interns to develop and deliver training to new peer leaders in 2022/23 through the Westfield Fund. The project team has been awarded funds by the Royal Society of Chemistry Inclusion and Diversity Fund to analyse the impact of PLTL on the progression rates and outcomes of students from disadvantaged backgrounds. The team has also been awarded the Management Knowledge and Education (MKE) funding via the British Academy of Management to investigate the impact of PLTL in supporting students with BTEC entry qualifications in developing quantitative skills.

Creating value for partners and society through research

We generate world-leading new knowledge, challenge existing knowledge, and engage locally, nationally and internationally to create a better world. Combining expertise across disciplines, we tackle some of society's biggest challenges, grasp new opportunities and transform lives across the globe.

The results of the REF 2021 exercise, released in May 2022, confirmed our position as an international research and innovation powerhouse, with Queen Mary ranked joint 7th for the quality of our research (based on research outputs), and 92 per cent of our research ranked as either internationally excellent or world-leading. Our academic profile means our research activity and collaborations are expanding, with income growing 21 per cent over the last four years.

Beyond the outstanding quality of our research, however, we put our values and mission into practice. Our impact and innovation address not just the biggest challenges facing society, but promote development and social and environmental justice in partnership with some of the most marginalised communities world-wide. Queen Mary was in the top tier of UK Universities for intellectual property and commercialisation activity in the Knowledge Exchange Framework 2022 assessment, and Queen Mary Innovation spinouts created nearly £50m of revenue during 2021/22. We are the only recipient of the National Co-ordinating Centre for Public Engagement's Platinum Watermark.

Queen Mary is the home of the 100,000 Genomes project, which since 2013 has made genomic medicine a reality across the NHS. One in four UK patients with a rare disease has received a diagnosis thanks to our world-leading genomics expertise. With BAME people under-represented and marginalised in medical research, however, genotype testing needs targeted research to benefit everyone. Our East London Genes and Health Project, a longitudinal study of 100,000 people of Bangladeshi and Pakistani ethnicity within the East London community, is paving the way in the identification of genetic determinants for specific illnesses affecting this community. A group of life sciences companies (Bristol Myers Squibb, GSK, Maze Therapeutics, MSD, Novo Nordisk, Pfizer, Takeda) have collectively committed £25m of new investment to the generation of genetic data and analyses of samples donated by 50,000 volunteers.

We run several of the UK's national tissue banks, which enable life-saving clinical trials to develop treatments for cancer and autoimmune disease, among many other conditions. Using machine learning and artificial intelligence to combine tissue samples with large lifestyle and health datasets, we can enable precision care for patients, especially those with hard-to-treat conditions or from underserved groups. This breakthrough bioinformatics research underpins SNPnexus, an online genomics sequencing platform that can analyse 100,000 genome variants to allow researchers and clinicians to pinpoint promising treatments for people based on their genotype. A free-to-use COVID-19 edition of SNPnexus was launched in December 2020 to help manage and treat COVID-19 in different populations.

The work of Professor Joe Briscoe is driving the next generation of solar energy products. Current silicon solar technology has reached the limits of its efficiency. To meet the world's need for clean, renewable energy we urgently need innovative new materials. Professor Briscoe has developed an efficient, scalable way of creating perovskite-based solar cells that are cheaper and more flexible than silicon photovoltaics. He has recently received a £50,000 Innovation UK award to work with a manufacturer to turn his research into a cheap, printable version of this technology which could be used to cover buildings, cars and other objects.

In a world saturated with content, attention is a precious commodity. Dr Hamit Soyel and the McOwen Lab have turned ten years of research into a revolutionary algorithm predicting how humans focus our visual attention in the first milliseconds of looking. This has been developed into a full suite of assisted artificial intelligence marketing tools which enable creatives to collaborate with biological data. Dragonfly AI was launched in 2018, working with major brands such as Diageo, Jaguar and Sony to optimise their packaging and advertising. In 2022 Dragonfly attracted £3m in Series A funding to expand globally.

Serious mental illness is often stigmatised and resource-intensive to treat, making patients vulnerable to discrimination and lack of support. In low or middle income countries (LMICs) these resources are even more thinly stretched. Queen Mary's DIALOG+ intervention, a treatment for psychosis used by every NHS Trust in London and across the UK, is now being adapted for use in LMICs. The PIECES project is a collaboration between the Drama and Psychology Departments of Queen Mary and research clinicians in Chennai, India and Karachi, Pakistan. Queen Mary's People's Palace Projects leads a participatory arts-based intervention with partners in India and Pakistan which has given voice to these people and engages local communities, opening up important conversations about mental illness both locally and beyond. Meanwhile, Professor Victoria Bird's ground-breaking trial of the DIALOG+ app in these countries has already supported 460 people with psychosis to access better, culturally sensitive support and over 60 community events have improved understanding and challenged stigma of this condition.

Environmental sustainability

In an era of climate change, a time of rising global temperatures and biodiversity loss, intersected, and intensified by social and economic inequalities, universities have an important contribution to make, not only in researching and teaching about the social, political, and scientific aspects of climate change, but also in addressing these fundamental and underlying challenges at a whole institution level.

Our 2020–2023 Environmental Sustainability Action Plan set out the university's response to global environmental risks across our activities. Highlights of our progress include:

- Improved our position to 35th in the People and Planet University League 2022/23 which ranks all UK universities against social and environmental criteria.
- Since June 2022 Queen Mary has an ISO 14001:2015 certified environmental management system.
- We achieved a 26 per cent carbon reduction against the 2018/19 baseline for scope 1 and 2 carbon emissions (emissions related to energy and fuel use in our directly managed buildings and campus vehicles). There has been a 34 per cent reduction in scope 2 (indirect emissions from electricity production) by 2022/23 against the 2018/19 baseline as shown in Table 1. This significant scope 2 reduction has been possible due to both ongoing investment into energy reduction projects that have been focused on our top ten energy consuming buildings and the decarbonisation of the grid.

	tCO2e 2018/19	tCO2e 2019/20	tCO2e 2020/21	tCO2e 2021/22	tCO2e 2022/23	% reduction against 2018/19 baseline
Scope 1	4,393	4,042	4,162	3,968	3,970	10%
Scope 2	9,883	7,744	6,862	7,053	6,537	34%
Total Scope 1 and 2	14,276	11,786	11,024	11,021	10,507	26%

Table 1. Carbon footprint year on year for scopes 1 and 2 since 2018/19 baseline (in tonnes CO2e)
Note: Excludes refrigerants, fuel used in back-up and temporary generators and electricity from Malta campus

Limited progress has been made against our waste recycling targets. The recycling rate achieved for our waste for 2022/23 was 37 per cent which was a five-percentage point decrease from 2021/22. Development of a comprehensive waste action plan is a priority for 2023/24.

Waste reduction continues to be a focus and successful projects include:

- the Zero Waste store on our Mile End campus that is open to the public which helps educate and reduce packaging waste.
- Food waste reduction initiatives such as use of the Too Good To Go app to reduce unsold meals, and donation of leftover food from events to the Whitechapel Mission charity where possible. We also buy imperfect vegetables and fruit from Angry Monk, which helps to prevent food waste upstream in the supply chain.
- Reuse Fairs to ensure that waste at the end of term from student residences is reduced through donation of items for reuse by new students (e.g. kitchen goods and bedding) or donated to appropriate charities (e.g. unopened food).

The University works closely with the Student Union to deliver regular student engagement activities. Over the past year this has included careers in sustainability events, educational opportunities, and volunteering opportunities such as regular canal clean ups, allotment sessions, and tree planting.

We continue to innovate and respond to today's sustainability challenges through our teaching, research, and public engagement activities.

- COP27 was attended by a Queen Mary delegation of academics whose work explores climate justice for indigenous communities, human impact on biodiversity, population health, and renewable energy technology.
- New modules and degree programmes that have been developed include a data analytics module that focuses on artificial intelligence for climate change and the UK's first Law and Climate Justice LLB degree programme where students will be able to explore topics of climate and environmental justice from multiple perspectives.

Risks and uncertainties

We have defined significant risks to the University as those which:

- could affect our ability to create impact and value;
- are important to key stakeholders;
- form the basis of strategic discussions and decision-making.

An overview of the significant risks and how these are being managed by the University is given below. Risks for each strategic aim are also considered in the Strategy Review section of this report.

External Risk 1: Inflation and the cost of living

Persistently high levels of inflation continue to place pressure on both the University's operating costs and the cost of living for staff and students, although wholesale energy prices have reduced from their peak somewhat.

In budget setting for the 2023/24 year, we have made various provisions for inflationary pressures we face going forwards. Whilst the institution has the resilience to manage this risk as it has adjusted its budgets to reflect the realities of increased inflation and has reasonable contingencies or buffers in place to manage inflationary pressures, this does represent an ongoing challenge which must be carefully monitored going forwards. This has been a key consideration in the assessment of Going Concern referred to in the Financial Outlook section of this report.

The University continues to explore efficiencies both in terms of campus utilisation (New Ways of Working) to reduce costs and through teaching in a more efficient way (i.e. module numbers/minimum class sizes). UK full-time undergraduate tuition fees have remained capped at £9,250 since 2017/18 with inflation eroding their value to the University, and sector data indicates that in 2021/22 universities only recovered 93.7 per cent of the costs of teaching these students, thus requiring subsidy from other areas of activity. Our research activity also does not recover full costs meaning we need to look as an institution at the balance of income streams and continually look for further efficiencies or economies of scale.

External Risk 2: Volatility in the geo-political climate

The University has partnerships with organisations all over the world, and recruits students from over 170 countries. In addition, our academics are working with researchers in universities across the world and of course our alumni network spans the globe. Similar to other universities and organisations we are impacted by geo-political volatility.

We manage these risks through the appropriate internal committees, and in accordance with relevant government legislation. In relation to international student recruitment, our continuing strategy to recruit students from all over the globe to bring ongoing cultural breadth to our campuses mitigates risks pertaining to any particular geography.

External Risk 3: Government policy environment

Changes in government over the 2022/23 academic year have resulted in restructuring to government departments, albeit with minimal impact on policy as it relates to higher education. From 2024 international students will be unable to bring dependants unless they are on postgraduate research programmes, which will have the effect of depressing international student demand from certain countries, particularly on to postgraduate taught (masters) programmes.

Several proposed pieces of legislation undergoing parliamentary scrutiny in relation to Freedom of Speech, National Security and Lifelong Learning will introduce further reporting requirements for the University to the Office for Students.

Our degree apprenticeships provision is overseen by Ofsted and other regulators, and the University had its first monitoring visit in February 2023; the report is now published. We anticipate a full inspection in the next 24 months.

A general election is anticipated before 2025 and an increase in funding for higher education is unlikely irrespective of the election outcome; the University will need to plan on this basis and work towards increasing income diversity and reducing costs (efficiency) to offset the ongoing erosion of the value of fixed undergraduate fee levels by inflation.

External Risk 4: Industrial relations and the USS Pension Scheme

Participation by staff in sector-wide industrial action has impacted a very small number of subject areas in the University across the 2022/23 year, with approximately one per cent of our staff taking part. The dispute has two key elements around pay and pensions, and progress has been made with respect to the latter element going into the USS 2023 Valuation. The pay settlement proposed by the sector has been implemented without agreement from the trade unions and this element of the industrial dispute remains unresolved.

Where teaching was cancelled because of industrial action, we took steps to ensure that missed teaching was made up after the return of staff from industrial action periods.

As the dispute progressed to a marking and assessment boycott, marking was reallocated where possible. Although most students were able to graduate and progress on time, marks were delayed in four subject areas, and in one subject area graduation was delayed until after the industrial action ended.

This is the fifth consecutive year of industrial action, and with no prospect of improved funding for the sector it is likely that the dispute related to pay will persist.

External Risk 5: Climate change

We took forward our Environmental Sustainability Action Plan (2020-2023) and adopted our environmental policy as part of our developing response to the urgent global climate change and environmental risks and they are part of our commitment to embed good environmental practices across our operation, as well as in our education, research and wider engagement. Our six-year 30 per cent carbon reduction target against our 2018/19 baseline is one of our immediate responses, as is putting in place an ISO 14001 externally accredited environmental management system, which is a key foundation to taking forward and monitoring the progress of our estate sustainability actions.

Estates and Facilities has a rolling programme of investment relating to energy and carbon reduction. There are also strategic investments under development with the explicit aim of providing us with the capacity to transition to low and zero carbon energy sources.

Queen Mary is embedding the UN Sustainable Development Goals into our teaching, research, partnerships and our operations.

Queen Mary is also embedding sustainability within education through the newly updated Queen Mary Graduate Attributes. All degree programmes have been asked to include the attribute relating to sustainability ('Promote socially responsible behaviour for a global sustainable future.')

The Queen Mary Academy is setting up a network for staff interested in sustainability in the curriculum to meet and share ideas and good practice. A workshop on Embedding Sustainability in the Curriculum is also run regularly by the Academy and the Sustainability Team and is open to all staff and students to attend. To further support embedding of sustainability and Education for Sustainable Development, Queen Mary Academy is currently developing a collection of case studies of good practice in this area from across the University to be published online.

One of Queen Mary's five Research Highways relates explicitly to Sustainability, Environment and Energy; helping to inform and support the world's transition to a sustainable, low-carbon and climate resilient future, covering all faculties and ranging from sustainable materials and the impact of pollution on health, through to new legal and regulatory frameworks. We also take part in the LEAF (Laboratory Efficiency Assessment Framework) initiative, with 14 teams currently working towards achieving bronze or silver level, as part of our work to minimise any negative environmental impact of our research.

Strategy 2030 – Year in Review

Our 2030 Strategy articulates 13 strategic objectives, each of which is underpinned by key performance indicators (KPIs). Essential to the delivery of our Strategy are our enabling plans, which are dynamic documents, developed and owned by the accountable member of the Senior Executive Team.

This chart summarises how the strategic objectives and enabling plans contribute to the delivery of Strategy 2030.

Queen Mary 2030 Strategy: enabling plans, strategic objectives and KPIs		
Pillars of the strategy		
Education and Student Experience Enabling Plan 1. Greater Student Satisfaction 4. Reduce Student Attainment Gap 6. Student Recruitment 7. Improved Student Progression 8. Improve Career Outcomes	**People Culture and Inclusion Enabling Plan** 2. Improve staff engagement 3. Increase staff equality and inclusion 5. Increase alumni engagement	**Research and Innovation Enabling Plan** 9. Increase Research Volume 10. Increase Research Quality
Functional Enabling Plans		
External Engagement 13. Improve academic reputation	**Professional Services** 12. Improved cash generation Professional Services transformation programme	**Infrastructure** 11. Delivery of enabling plans
Faculty Plans		
Humanities and Social Sciences	**Science and Engineering**	**Medicine and Dentistry**

Education and Student Experience

Vision/goals

We will deliver an outstanding, inclusive, world-class education and student experience, co-created with our diverse student body, enhanced by our world-leading research and supported by the latest technological developments.

Risks

Failing to understand and appropriately respond to student expectations and concerns, particularly in the post-pandemic context, and failing to invest appropriately in learning resources, systems and processes may lead to reduction in student satisfaction, continuation and outcomes. Failing to monitor and understand trends in student attainment may lead to gaps in performance between different demographics of students. Failing to support students' careers decision-making, development of key skills and the ability to present these skills to employers may lead to poor outcomes for our graduates.

Achievements

We have launched an **Assessment and Feedback toolkit**, along with resources and case studies for educators which have informed discussions and workshops within Schools and Institutes to support assessment reviews, as well as general workshops offered across the University, for example on 'Designing Inclusive Assessment to Support Learning', or on 'Providing Effective Feedback'. In response to educators' concerns about Generative Artificial Intelligence and its impact on assessment approaches, guidance has been developed and well-attended workshops on 'Assessment Design for Academic Integrity' have been offered within Schools and as general sessions. We have provided in-depth support to Schools and Programmes engaging in assessment reviews. Assessment design – and especially the embedding of formative feedback – has been a recurrent theme in discussions with Programme Teams and Schools. As part of the Queen Mary Academy Learner Intern Programme, two student-led projects, on peer-to-peer assessment and feedback and on inclusive feedback, have explored students' views about feedback, which will inform work with Schools in 23-24. Since August 2022, our Assessment and Feedback webpages have had over 5000 views from over 3000 users.

In order to develop a strategic approach to assessment policy and practice, a new sub-board of Education Quality & Standards Board (EQSB) has been established. A Digital Assessment Thematic Peer Group has also been launched and is meeting monthly to explore solutions to 'wicked problems' of digital assessment. A pilot is underway to explore the use of CADMUS, software to help students track their progress towards summative assessments, in all Faculties.

We are continuing to work with educators to support the development of module and programme level learning outcomes embedding academic content, disciplinary skills and graduate attributes.

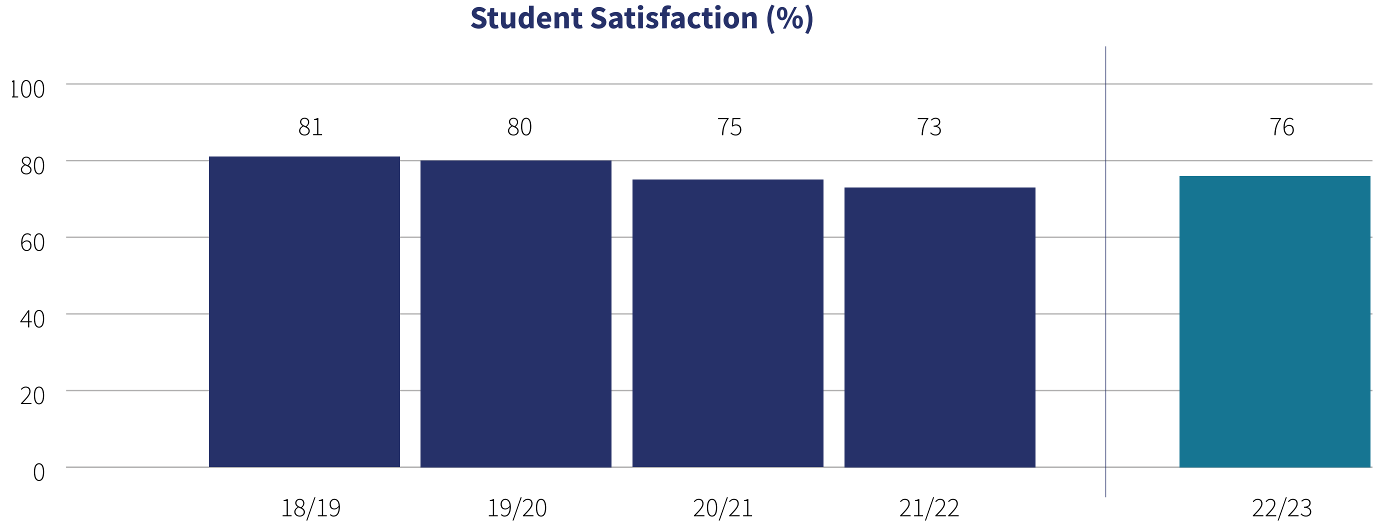
We have put great emphasis not only on the enhancement of the assessment and feedback experience but also on the effectiveness of advising and signposting and working with students in committees following a **co-creation approach**. We have created new asynchronous courses available on QMPlus and reviewed and updated existing courses. These courses - mainly those involving student voice and engagement - were co-created with the Students' Union management, student reps and executive officers.

There is also a new webpage on the Queen Mary Academy website on co-creation with information about co-creation, links to the institutional strategy, case studies and a road map to design, implement and evaluate co-creation projects.

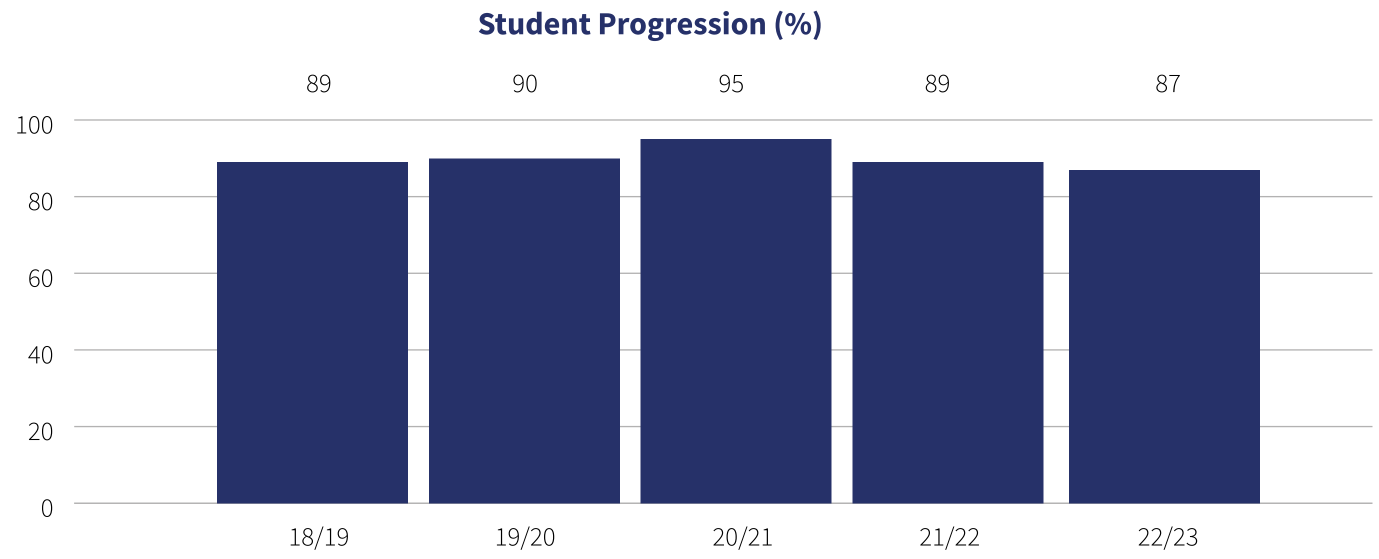
We have also recognised the contribution of students to **co-creation** at Queen Mary with almost 50 students receiving the Student Enhanced Engagement and Development (SEED) award and the recruitment of nine students to work on our Learner Interns Programme (LIP) Education Student Research Internships, supported by the Vice Principal. Two of these projects are on co-creation at Queen Mary.

Performance in strategy areas

National Student Survey (NSS) KPI performance 76 per cent overall student satisfaction. The institutional KPI on student satisfaction changed in 2023 as the overall satisfaction question was no longer included in the survey. The new KPI is an aggregation of the NSS questions which are used in the TEF. Note that in addition to the overall satisfaction question no longer being included the wording of the questions and the answer options also changed. So, the 2023 results are not directly comparable to the previous years.

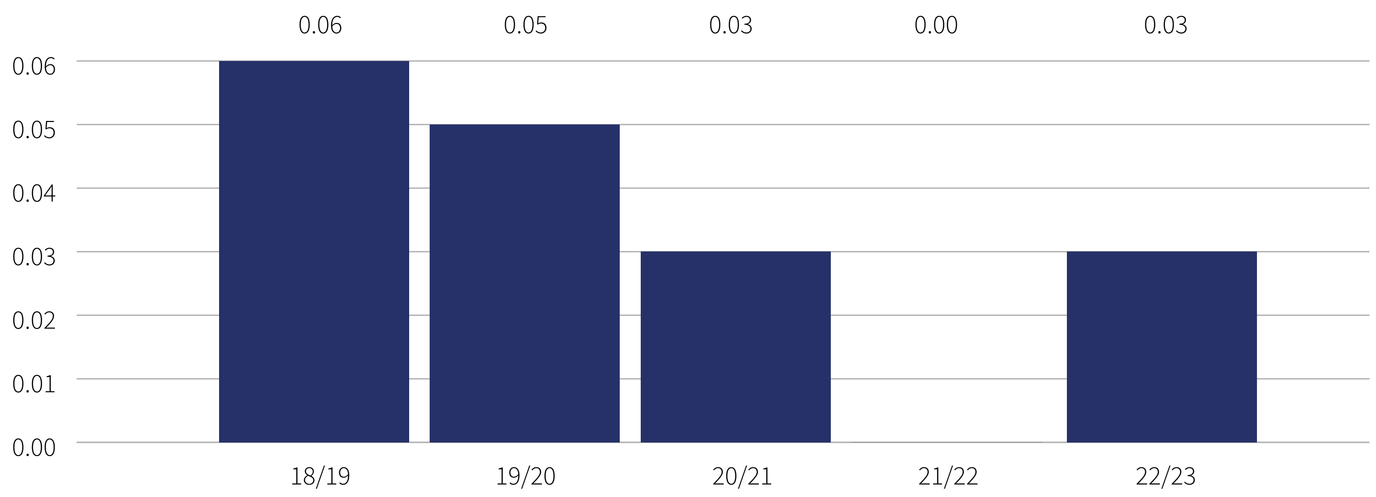


87 per cent of our first-year students progress (2020/21 was an anomalous year, in which more students than usual were permitted to progress, due to their studies being affected by the pandemic).



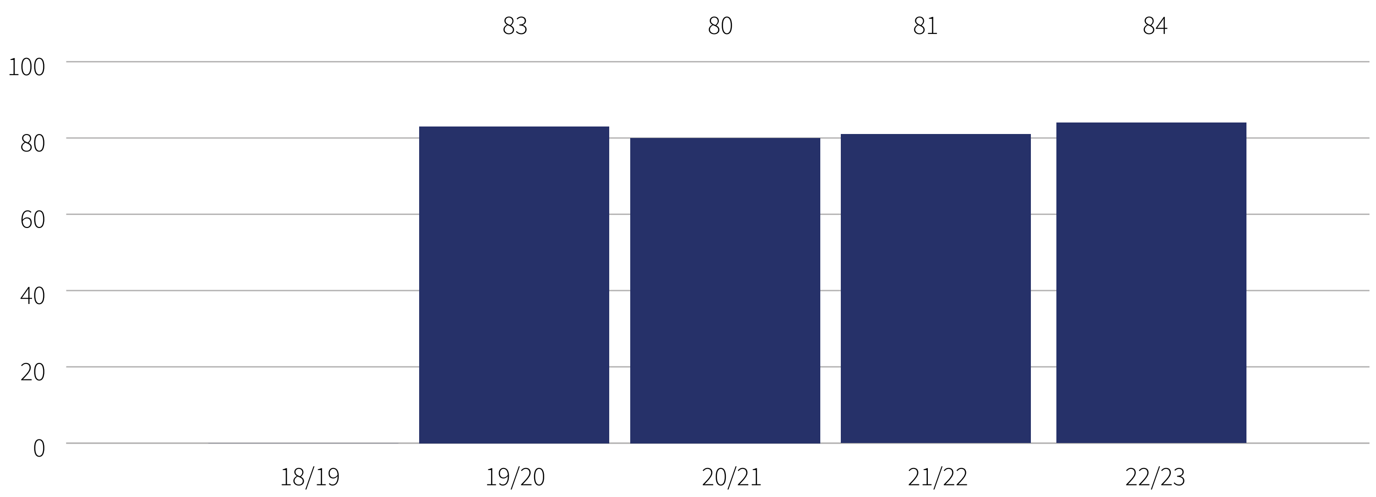
We have significantly reduced the attainment gap between BAME and white students (based on the Guardian University Guide's "Value Added" measure), eliminating the gap entirely for 2021/22 graduates.

BAME/White Attainment Gap



84 per cent of our graduates are in highly-skilled jobs or further study, the highest score since the beginning of the Graduate Outcomes survey. (The survey is conducted 15 months after graduation, the first results of which were published in 2019/20).

Highly skilled jobs/further study (%)



Research and innovation

Vision/goals

We will be recognised for our distinctive, world-leading, curiosity-driven and applied research, and will continually build our research capacity for social, cultural and economic impact. Creating communities of diverse scholars across the globe is at the heart of our approach.

Risks

Failing to invest adequately to achieve our ambitions to grow research, including investment in training and facilities and the recruitment of sufficient high-quality academics as we expand or change our profile, may lead to reputation damage, loss of standing in the academic community, lower level of research output and lower income generation.

Achievements

The past year has seen some notable progress towards the Research and Innovation ambitions set out in Strategy 2030. We have seen a significant increase in our **Research Awards won**, with a particular success in the expansion of the NHIR Biomedical Research Facility, alongside noteworthy awards in all faculties. Competition for all research income is exceptionally high, and our successes are testament to the quality, novelty and ambition of the research we do here at Queen Mary and to the benefit it brings to communities around the world.

In September 2022, we welcomed the inaugural director of our second University Research Institute, the **Precision Healthcare University Research Institute** (PHURI). Research at PHURI will combine advanced health data analytics, integrated diagnostics and omics, MedTech and advanced therapies to complete the full innovation cycle.

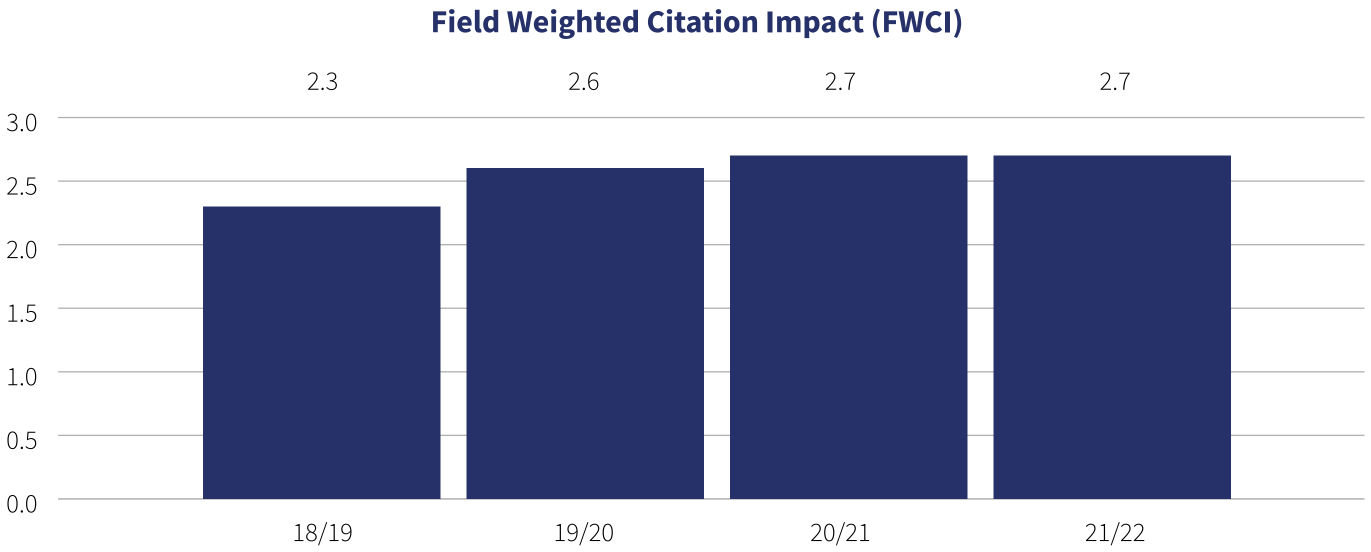
Our aim for PHURI is to catalyse a major step-change in UK research. PHURI sits within an outstanding ecosystem on our Whitechapel campus. Co-location with Barts NHS Trust and with industry partners in Queen Mary Bioenterprises provides strong potential to turbo charge innovation and translation of research to improve patient care, directly addressing unmet healthcare need in our local community. Our diverse East London community – with 2.5m people from 97 nations - offers a research window on the world and gives our programmes global reach.

This year also saw the first presentation of our **Research and Innovation Awards**, a celebration of research and innovation excellence at Queen Mary and the fantastic teams and people that make this possible. In addition to the VP's Award for Research Excellence marking outstanding individual achievements, we recognised our Professional Services Staff, Technicians, Research Supervision, Interdisciplinary Research, Early Career Researchers and Impact. The Research and Innovation Awards are now an annual celebration.

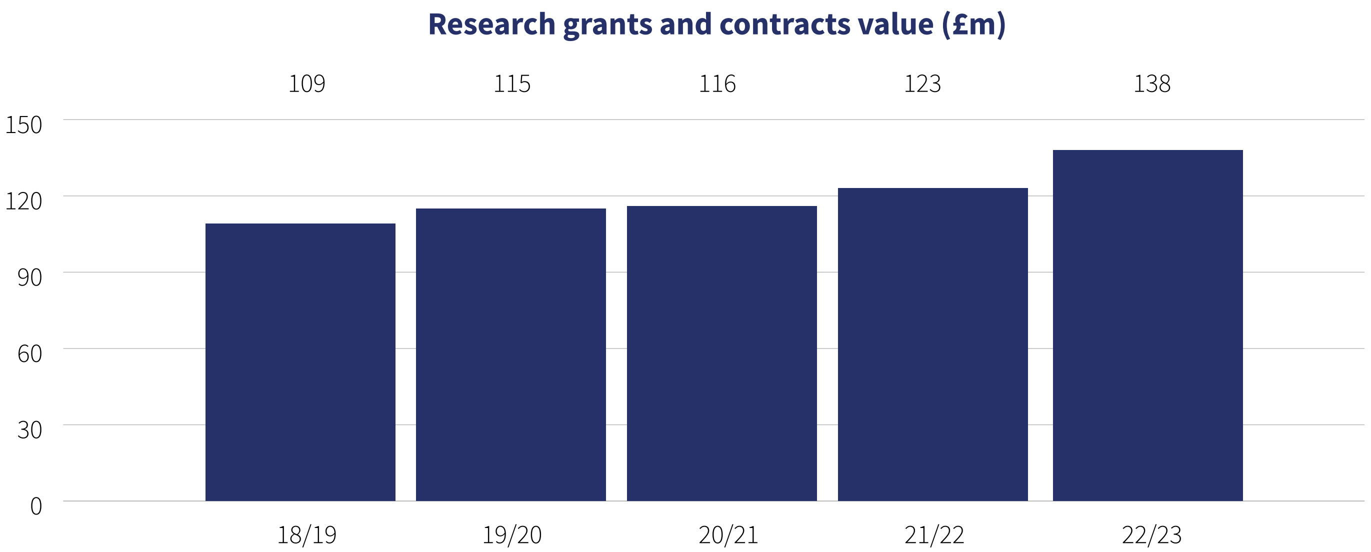
In support of our commitment to become the most inclusive University of our kind, anywhere, we have been exploring how we can help more UK students who are minoritised by racial identity take the first steps on a career in research. Following a successful pilot programme funded by IBM, this year we expanded our **STRIDE internship programme** across the University. STRIDE is an eight-week programme where students combine a research placement embedded in a Queen Mary research team along a skills enrichment course. Previous participants are now enrolled in PhD programmes at Queen Mary, and we were thrilled this work was recognised in the UKRI 'Jobs that Change the World' campaign in summer 2023.

Performance in strategy areas

Field-Weighted Citation Impact, measuring the impact of our research publications, rose to 2.7 in 2021/22 from 2.3 in 2018/19 and we are consistently top five in the Russell Group.



£138m Research Grant and Contract income in 2022/23, up from £109m in 2018/19



People, culture and inclusion

Vision/goals

We aim to be the most inclusive University of its kind anywhere, recognising that our community of students and staff is at the heart of everything we do. Queen Mary was the first University to link its vision of inclusivity to the realisation of its academic mission.

Risks

A failure to attract diverse pools of candidates, to evidence diversity in promotions outcomes, and to create an inclusive working environment, may lead to low levels of staff engagement and wellbeing.

Achievements

The People, Culture and Inclusion Enabling Plan has four core objectives:

- To increase the diversity of our staff body and support the career progression of people from different backgrounds.
- To create an inclusive culture across the University and become an exemplar institution by 2030.
- To improve and publish our equality, diversity and inclusion data, monitor progress and evaluate the impact of our actions.
- To place inclusion at the heart of the student experience

In the last year, we have made significant progress in the following areas outlined below:

Staff survey

Queen Mary has committed to adopting a regular rhythm of annual staff surveys, providing the University with regular feedback that we can review, reflect and act upon. Queen Mary's Institutional Staff Survey Action Plan includes a number of actions identified including:

- A programme of events for staff to hear about progress in delivering our University Strategy complemented by the on-going programme of visits from Senior Executive Team members to Schools, Institutes and Professional Services Directorates.
- Commencing a programme of work to gain a stronger understanding of how managers/ leaders could be better supported to enhance performance and address poor performance.
- Consulting with staff to explore how they would like to see their contribution recognised and rewarded.

We are pleased to report that our 2023 staff survey saw our response rate increase by three points to 66 per cent alongside an increase in our engagement score. We were particularly pleased to see that the perception that action will be taken as a result of the survey increased by five points, evidencing that action planning is having a positive effect.

Following the survey, the Staff Survey Steering Group are focusing on refreshing the Institutional Staff Survey Action Plan to reflect key themes that have emerged.

Career development

Following the 2022 Staff Survey, we launched a number of tools to support career development for professional services staff including manager and staff guides and workshops, a career progression tool, project placements, career coaching, career case studies and structured support for mentoring and job shadowing. Through this work, we aim to support the progression of colleagues from different backgrounds. Following these interventions, we have seen a significant increase in staff survey scores in 2023 relating to career development.

Leadership

Effective leadership and management is core to our ambition to support our staff to flourish and to meet our ambitious Strategy 2030. Our Leading Together framework sets our expectations around leadership, including inclusive leadership and informed the development of our Pathways to Leadership programmes.

Pathways to Leadership consists of five core leadership and management programmes ranging from aspiring leaders to senior organisational leaders. In addition, we have nine colleagues who have completed or are in the process of completing leadership and management apprenticeships.

University-wide Equality, Diversity and Inclusion (EDI) portfolios

Work has progressed across all six of our portfolios with a list of notable achievements outlined below:

- We have established a Disability Inclusion Action Group (DIAG). This University-level group that has oversight of disability inclusion in relation to students and staff. The DIAG will oversee the development and delivery of Queen Mary's Disability Inclusion strategy.
- Publication of Queen Mary's Gender and Ethnicity Pay Gap 2023. As part of the University's commitment to taking an intersectional approach to pay gap reporting, the report included intersectional analysis of our pay gaps by gender and ethnicity for the first time.
- Queen Mary completed a programme of activities with five Indian universities and institutes as part of the Gender Advancement for Transforming Institutions (GATI) pilot project. The aim of the project was to pilot a gender equality framework for academic women in STEMM in the Indian academic and research context, building on the Athena Swan framework used in the UK. Queen Mary was one of six UK universities to be involved in this pilot.
- Queen Mary held our most extensive programmes for LGBTQIA+ History Month and Pride Month in 2023, including a range of events such as 'A conversation on diversity - students and teachers view on LGBTQ+ language materials'.
- The Race Equality Action Group (REAG) commenced work to prepare a University-level application for a Race Equality Charter Bronze award, with the aim to submit in Spring 2024.
- Equality Analysis Guidance was developed, providing a framework to ensure the impact of a policy, process or decision is analysed and any adverse impact on a particular group or groups is addressed prior to development and implementation.
- Queen Mary published its EDI Annual Report, highlighting key areas of work in progressing EDI. Our EDI Annual Reports play an important role in helping us to continuously measure and share our progress.
- The EDI Team held focus group sessions to co-create a new Gender Equality Staff Network and Race Equality Staff Network. The findings were influential in shaping the creation of the new networks and how Queen Mary as an institution can shape activity to support our networks.
- We have developed a process where bids for funding are open to any individual member of staff, staff network or working group looking to undertake targeted activity to advance our People Culture and Inclusion Enabling Plan. To date, funding has been granted to support the development of an IT Services Women in Technology Network launch event and to provide live captions at the Mad Hearts Conference, a two-day event that explored encounters between the arts and mental health. By providing live captions, we ensured the conference was accessible to attendees.
- Queen Mary has committed to work towards the University Mental Health Charter and, following a gap analysis of the University's mental health and wellbeing provisions, is now seeking to appoint a Mental Health and Wellbeing Manager to advance our work across both staff and student services.

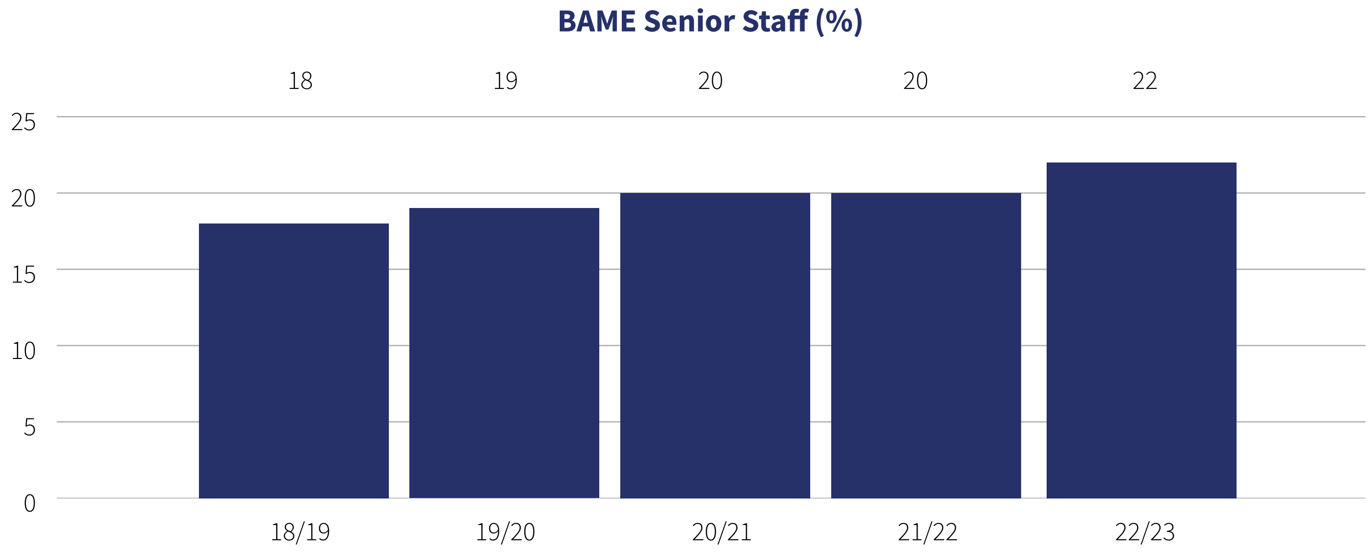
Strategic Objective 3 Staff Diversity: KPI

There has been a 2 per cent increase in the proportion of BAME staff in senior positions in the past year, from 20 per cent to 22 per cent. The proportion of BAME staff in middle-grade positions also increased by 2 per cent, from 31 per cent to 33 per cent. The proportion of female staff in senior positions rose by 1 per cent, from 39 per cent to 40 per cent.

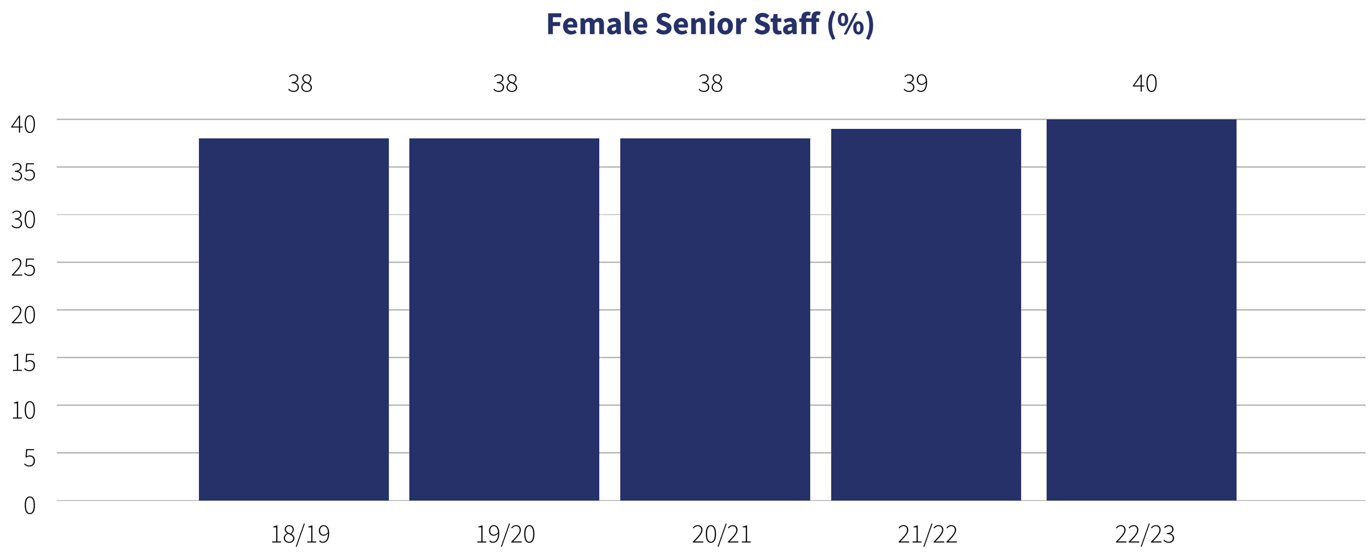
It is also noteworthy that there are greater numbers of BAME academics entering the in-scope eligible population (those with at least one year's service) to be considered during the Academic Promotions Round. The BAME in-scope population has increased by 13 per cent in the last year, whereas the White in-scope population increased by 4 per cent. We should therefore expect to see this feed through into higher promotion numbers in the next few years.

Performance in strategy areas

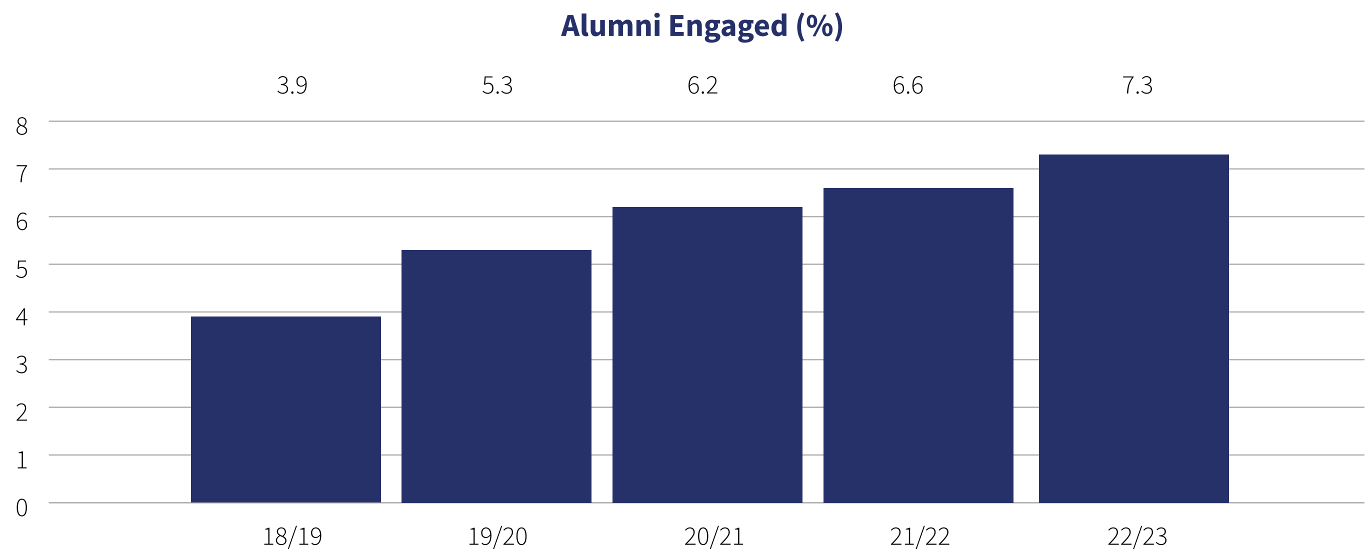
22 per cent of senior staff are black, Asian or minority ethnic (BAME), an increase of 4 per cent since 2018/19.



40 per cent of senior staff are female, an increase of 2 per cent since 2018/19.

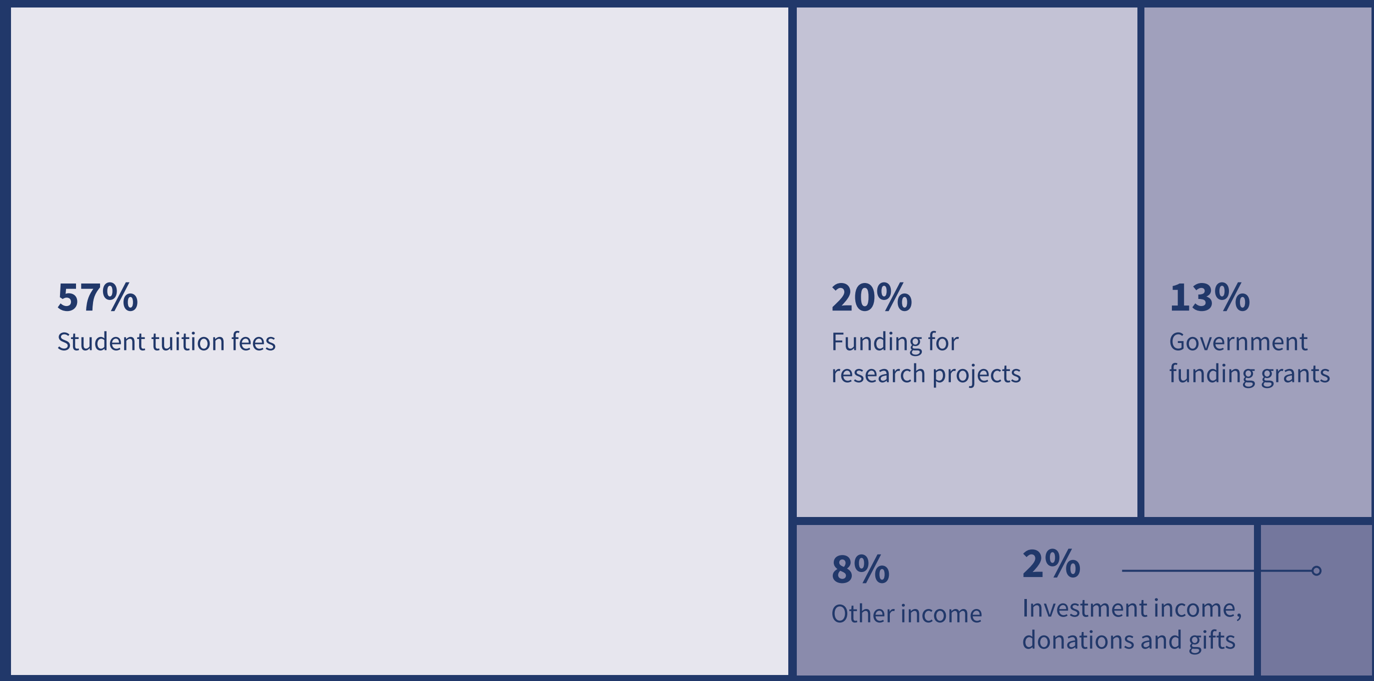


The percentage of our contactable alumni engaged rose to 7.3 per cent, up from 3.9 per cent in 2018/19.



Financial Review of 2022/23

Income



Expenditure

The expenditure chart above excludes the movement in pension provision in the year.

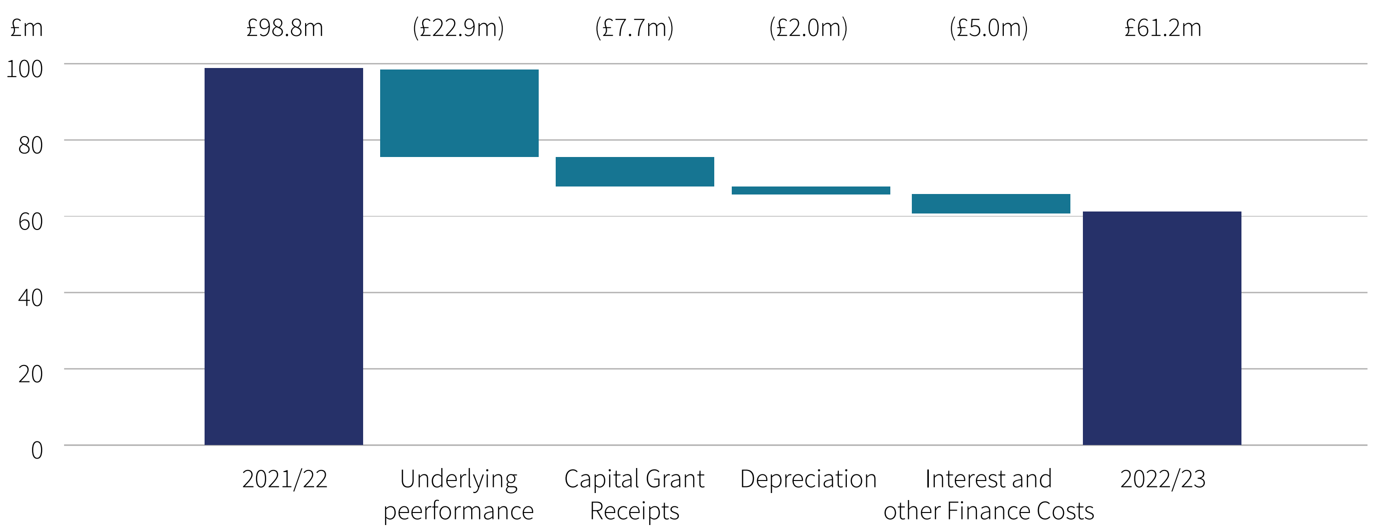
The underlying financial performance of the University continued to be strong, reflecting the implementation of targeted growth, and careful cost control.

Underlying cash generation

The definition of underlying cash generation has been agreed by Finance and Investment Committee as an accurate measure of underlying financial performance. This is calculated by adjusting the surplus/(deficit) before other gains/(losses) and share of operating profit/(loss) of associates to exclude certain non-cash items, investment income and expenditure, capital grant receipts and strategic fund expenditure, see the reconciliation below:

	2022/23	2021/22
	£'000	£'000
Surplus/(deficit) before other gains/(losses) and share of operating profit/(loss) of associates	76,513	3,573
Depreciation and amortisation	28,843	26,819
Interest payable	13,293	8,295
Investment Income	(13,772)	(2,168)
Pension Provision	(15,356)	95,235
Capital Grants	(13,487)	(21,212)
Holiday Pay Accrual	401	(247)
Strategic Fund Expenditure	7,549	7,366
Underlying Cash Generation	**83,984**	**117,661**

Year on year change in surplus before other gains/(losses) and share of operating profit/(loss) of associates and pension provision movements.



Income

Total income grew by £45.3m to £679.8m, whilst income, excluding capital grants, grew by £53.0m to £666.3m.

Income	2022/23	2021/22	Change
	£ millions	£ millions	
Tuition fee	382.9	361.6	6%
Funding body grants*	80.0	67.6	18%
Research*	133.8	121.1	10%
Other income, investment income & donations*	69.6	63.0	10%
Total before capital grants	**666.3**	**613.3**	**9%**
Capital grants	13.5	21.2	-36%
Total income	**679.8**	**634.5**	**7%**

*Excluding capital grants and income

The increase in tuition fee income reflects growth in student numbers with increases primarily in full time international students where fee income increased by £22.7m (12 per cent increase). There was a slight decrease in full time home and EU students fee income which decreased by £2.3m (2 per cent decrease).

Total student numbers as at 1 December census point increased by 2 per cent to 32,431 with increases in all categories and particularly in international and postgraduate student numbers. Student numbers (headcount at 1 December as per the Return to Higher Education Statistics Agency, which excludes students starting later in the academic year) are summarised below:

Student numbers	2022/23	2021/22	Change
	Numbers	Numbers	%
Student Numbers	32,431	31,899	2%
By level of study:			
Undergraduate	23,061	22,728	1%
Postgraduate	9,370	9,171	2%
By fee status:			
Home (UK and EU)	18,480	18,448	0%
Overseas (International)	13,951	13,451	4%
By location			
Queen Mary (London)	25,338	25,197	1%
Overseas (incl. China)	5,408	5,268	3%
Distance Learning	1,685	1,434	18%

The Funding body grants increased from £73.2m to £87.2m. The revenue element of these grants increased to £80.0m (2021/22 £67.6m), whilst the capital element increased to £7.2m (2021/22 £5.6m).

Research grant and contract income, excluding capital grants, increased by 10 per cent to £133.8m.

Other income excluding capital grants decreased by £3.7m to £53.0m. There was an increase in residences, catering and conference income of £1.2m but decreases in income from other services rendered, Health Authorities and other revenue income.

Investment income has increased by £11.6m to £13.8m as a result of increases to the interest rates available on the investment of surplus cash.

Donations and endowment income decreased by £1.4m to £2.9m (2021/22 £4.3m).

Operating expenditure

The finalisation of the USS 2020 Valuation resulted in a one-off charge to staff costs in the Income and Expenditure account of £95.2m in 2021/22. Excluding this, expenditure increased by 15 per cent to £618.7m.

Expenditure	**2022/23**	**2021/22**	**Change**
	£ millions	**£ millions**	
Staff costs	346.3	306.2	13%
Other operating expenses	230.3	194.4	18%
Depreciation and amortisation	28.8	26.8	7%
Interest and other finance costs	13.3	8.3	60%
Total expenditure before pension provisions	**618.7**	**535.7**	**15%**
Pension provision movements	(15.4)	95.2	
Total expenditure after pension provisions	**603.3**	**630.9**	**-4%**

Staff costs increased by 13 per cent, reflecting the increase in staff numbers in the year from 4,505 FTE to 4,839 FTE, along with pay increases which were implemented in the year.

Other operating costs increased by 18 per cent to £230.3m as a result of increased research grant funded expenditure, utility bills cost increases, estates and IT project expenditure, increased use of agency staff to fill vacancies and the effects of inflation.

Depreciation and amortisation increased from £26.8m to £28.8m as a result of capital projects completed in the year. Interest and finance costs increased by £5.0m as a result of a £4.9m increase to the net interest charge on the USS and LHMC pension scheme provisions.

Tangible Assets and Intangible Assets

The University continued to invest in improvements to its estates and IT infrastructure with total capital expenditure in 2022/23 of £59.6m (2021/22 £56.0m). Capital expenditure included the following major project spend:

1. £6.9m of expenditure incurred as part of a project to refurbish and repurpose the Garrod building at Whitechapel. The total project budget is £11.2m with an expected completion date of November 2023.
2. £6.8m of expenditure incurred on a two storey extension to the Library roof providing an additional 1550m² of study space. The project was completed in September 2023 at a total cost of £9.9m. A further £2.0m was incurred on refurbishing the existing floors of the Library to improve the quality of the study spaces and this was completed in October 2023.
3. £3.7m expenditure incurred refurbishing the Francis Bancroft building. The project was completed in September 2023.
4. £2.8m expenditure incurred as part of an ongoing project to construct a new building for the School of Business and Management. The total project budget is £64.5m and is expected to complete in July 2026.
5. £2.4m expenditure incurred on a project to remodel the ground floor and basement of the Queens Building to provide a student hub, social spaces, café as well as one-stop shop for enquiries and careers advisory centre. The total project budget is £16.1m and is expected to complete in June 2025.

Investments

Non-current investments increased slightly by £0.3m. There were additions of £5.1m and disposals of £4.8m. Current investments increased by £53.9m in the year primarily due to more of Queen Mary's surplus funds being held on longer term deposit.

Cash and borrowings

Consistent with our strategy to improve our financial resilience year-end cash balances remained high at £146.0m. This is however a decrease from the £187.0m held at 2021/22 due to more funds being transferred to longer term deposit to take advantage of increased interest rates.

The University has private placement loan notes with a principal value of £160m. The nature of the loan notes means that £96.5m of the principal must be held at fair value (due to the inclusion of a swap breakage clause in the Note Purchase Agreement for these notes which exposes Queen Mary to foreign exchange risk in the event of default or early repayment of the notes), with the remaining £63.5m recorded at amortised cost. The total fair value of these loans at 31 July 2023 was £131.4m (2021/22: £146.9m), with a fair value decrease of £15.5m being recognised in the Statement of Comprehensive Income and Expenditure (2021/22: £39.5m decrease). As the cashflows over the life of the loan are contractually fixed, except in the event of an early repayment, the change in fair value of the loan notes does not indicate any change in the cashflows payable by the University over the life of the borrowings.

The University and its subsidiaries also have bank loans totalling £61.1m (2021/22 £63.1m).

Pensions

The main pension schemes in which the University participates are USS, SAUL and the NHS pension schemes. Following the finalisation of the 2020 valuations of both the USS and SAUL pension schemes there was an increase in employer contribution rates in 2021/22 which was in place throughout 2022/23.

There is a deficit recovery plan in place to reflect the USS 2020 valuation, and the 2023 deficit recovery liability of £154.9m reflects this plan (2021/22 £164.8m). This came into force from 1 October 2021 with deficit recovery contributions, which are to be paid in addition to the employer contributions, commencing from 1 April 2022. The plan results in payment of 6.3 per cent of salaries for the length of the recovery plan until 31 March 2038.

The 2023 valuation of the USS is in progress at the time of preparing these accounts and is anticipated to conclude in early 2024. Following the conclusion of the 2023 valuation, any changes will be reflected in future financial statements. At 31 July 2023 there is no pension deficit for the SAUL scheme.

Financial outlook

The 2022/23 year saw marked changes in the economic environment in which the University operates: inflationary pressures continued from the previous year, spiking in October 2022, and the autumn of 2022 saw the beginnings of a dramatic shift in the interest rates which have continued to rise during the year, marking the end of the past decade of historically low interest rates.

The 2023/24 budget was approved in March 2023, with planned income of £726m and cash generation of £74m. The budget and financial forecasts to 2027/28 were prepared to incorporate the resources required to continue to deliver the 2030 strategy.

Inflationary pressures in particular have impacted on the University's finances through increased operating costs, and income streams are largely unable to keep pace with this given the nature of the university's largest income stream is tuition fees, where the home fee has been fixed since 2017. In the 2022/23 financial year, total income has increased by 7per cent, whereas total expenditure (excluding pension provision) has increased by 15 per cent. Planning for these inflationary pressures was one of the main themes of the annual planning round, and the university was able to set a budget for the 2023/24 year which included full provision for the JNCHES 2023/24 pay award. The budget and future year forecasts indicate that the continued growth in both income and operating cash is sufficient to ameliorate cost increases and to fund the required investment in staff and infrastructure to support the strategy in the medium term. However, it should be noted that the impact of inflation on the cost base of the university will be embedded, and unless the position on regulated fees is reviewed by the government, this will make managing the finances of the university more challenging over a longer term time horizon.

Rising interest rates have had a largely positive direct impact on the University's finances, as the majority of the long term borrowing held by the University is at fixed interest rates, whereas interest rates received by the university for its cash reserves have increased significantly during the 2022/23 year. This upside has also been factored into future budgets, providing a small offset to operating cost pressures. Besides economic risks the sector and the university are exposed to various other external risks such as government policy on sector funding, geopolitical events, industrial relations, pension costs and the economic health of the countries in which our students are domiciled. All of these various risk factors and the potential financial impacts associated with them are considered in our future strategic planning.

Whilst recognising these challenges management have modelled a number of scenarios. The most significant risks to cash generation are overseas student recruitment and further inflationary pressures, and the assumptions used within the budget with regards to these have been tested as part of the assessment of Going Concern. In coming to its final decision that the Going Concern basis is appropriate, Council considered scenarios where student recruitment and tuition fee income and inflationary pressures deviated from the central case used within the budget to gauge the financial impact on the institution and mitigatory strategies which the University would employ if necessary. Council concluded that whilst significant risks exist, the current financial position of the University, and indications of future student numbers, mean that the budget is stretching but achievable.

The budget and financial forecasts include cash flow forecasts for more than 12 months from the date of approval of these financial statements. After reviewing these forecasts, Council is of the opinion that, taking account of potential plausible downsides, the University will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period) and beyond. Council also noted that the mitigations which could be employed to conserve cash in a stressed scenario, including restricting planned expenditure and slowing capital expenditure. In reviewing the forecasts and scenarios Council was satisfied that continued compliance with the University's loan covenants was achievable. Having made these assessments Council has determined that there is no material uncertainty that casts doubt on Queen Mary's ability to continue as a going concern.

Statement of Corporate Governance and Internal Control

Purpose of this statement

This Statement is provided for readers of the Financial Statements to obtain a better understanding of the governance, management and legal structure of the University. It relates to the year ended 31 July 2023 and up to the date of approval of the Financial Statements.

The University is committed to conducting its business in accordance with the Seven Principles of Public Life.

The University's governing body has adopted the CUC Higher Education Code of Governance and the University's practices are compliant with its provisions. In addition, the University corporately, through its governance arrangements, is committed in a demonstrable way to the principles of academic freedom, equality of opportunity and freedom of speech within the law, which are enshrined in its Royal Charter.

Constitution and Governing Body

The University is formed from the union of four institutions. Queen Mary and Westfield College, University of London was incorporated by Act of Parliament and granting of a Royal Charter in 1989 with the merger of Queen Mary College (founded in 1887) and Westfield College (founded in 1882). The Medical College of Saint Bartholomew's Hospital (recognised in 1791) and The London Hospital Medical College (founded in 1785) united with Queen Mary and Westfield College, University of London in 1995 by Act of Parliament. The University adopted the name Queen Mary University of London in 2013.

The Royal Charter and Ordinances are the primary governing instruments of the University and are the framework within which the University's governance arrangements operate. The Royal Charter establishes the Council and Senate, each with clearly defined functions and responsibilities detailed in the Ordinances, to oversee and manage the University's activities.

Council is the University's governing body responsible for the strategic oversight of the University. Its specific responsibilities include approval of the financial strategy and securing the University's assets. The membership of Council is set out at the end of these Financial Statements. The majority of members are external to the University, to bring independent expertise from a range of sectors and professional spheres and collectively to hold the executive to account. The Chair of Council is elected from among the external members. There is provision for the election to Council of members of the academic and non-academic staff and the nomination of members of other staff groups. The President of the Students' Union is an ex officio member. No members of Council receive remuneration for their role, apart from staff members and the President of the Students' Union, solely in the context of their employment.

Subject to the overall superintendence of Council, Senate has oversight of the academic affairs of the University and draws its membership from the academic staff and students, with a majority of elected members. It has specific responsibilities for maintaining academic standards, the quality of the student experience, academic freedom and freedom of speech within the law.

Council keeps its own effectiveness and that of its committees under regular review. Members' views on the effectiveness of Council and its committees are solicited and considered annually. Council also considered the outcome of a full and robust external review of corporate governance effectiveness in October 2022, reflecting the frequency and scope of reviews recommended in the CUC Higher Education Code of Governance.

The University maintains a Register of Interests of members of Council and the Senior Executive Team which is published on the Council webpages. The Register is updated at least annually and includes details of charity trusteeships.

The Role of the President and Principal

The President and Principal is appointed by Council as chief academic and accountable officer to head the University. The President and Principal is accountable to Council for the organisation, direction and management of the University. Under the terms and conditions of funding for higher education institutions by the Office for Students, the President and Principal is the accountable officer of the University and in that capacity may be required to appear before the Public Accounts Committee on matters such as those relating to grants to the University.

The President and Principal exercises considerable influence upon the development of the University's strategy, the identification and planning of new developments and the shaping of the University's ethos and values. The President and Principal is assisted in this by the Senior Executive Team comprising the Vice-Principal and Executive Dean (Health), the Vice-Principal and Executive Dean (Humanities and Social Sciences), the Vice-Principal and Executive Dean (Science and Engineering), the Vice-Principal (Policy and Strategic Partnerships), the Vice-Principal (Research and Innovation), the Vice-Principal (Education), the Vice-Principal (International), the Vice-Principal (People, Culture and Inclusion), the Chief Financial Officer, the Chief Operations Officer, and the Chief Governance Officer and University Secretary.

Committees of Council

Council has five committees to which it delegates much of its detailed work. These are:
- Finance and Investment Committee;
- Audit and Risk Committee;
- Governance Committee;
- Remuneration Committee;
- Honorary Degrees and Fellowships Committee.

Each committee is formally constituted with written terms of reference and specified membership, including a significant proportion of external members, from whom the committee chair is drawn. Each committee reports regularly to Council.

Finance and Investment Committee oversees the Senior Executive Team's planning and management of the finance, investments and assets of the University. It has a particular remit in respect of:
- recommending to Council a finance strategy;
- recommending to Council the annual budgets and financial forecasts;
- monitoring the financial situation of the University, both capital and revenue;
- considering and monitoring the annual capital programme and proposals for major capital projects;
- considering proposals affecting major University assets;
- approving a strategy for borrowing, investment of funds and raising of monies.

Audit and Risk Committee oversees and provides assurance to Council on the University's procedures for external and internal audit, financial control and risk management. More specifically, the Committee:
- oversees external and internal audit services, including receiving reports and recommendations from both on the results of their work;
- reviews the effectiveness of the University's systems for submission of regulatory returns, financial control, value for money, data assurance and responding to alleged financial irregularities;
- reviews the effectiveness of mechanisms operated by the Senior Executive Team for identifying, assessing and mitigating risks;
- oversees the University's whistleblowing procedure and receives regular reports on cases.

Audit and Risk Committee has adopted the CUC Higher Education Code of Governance and the University's practices are compliant with its provisions. The membership of Audit and Risk Committee is set out at the end of these Financial Statements.

Governance Committee fulfils the role and expectations of a nominations committee within the CUC Higher Education Code of Governance. It also performs detailed work on behalf of Council in relation to processes for evaluating governance effectiveness and maintaining the governing instruments of the University.

Remuneration Committee is responsible for determining and reviewing the salaries and terms and conditions (and, where appropriate, severance payments) for senior members of staff. In the case of the President and Principal and other members of the Senior Executive Team, it also approves annual objectives and reviews performance. Remuneration Committee has adopted the Higher Education Senior Staff Remuneration Code and the University's practices are compliant with its provisions.

Honorary Degrees and Fellowships Committee makes recommendations to Senate and Council on the conferment of Fellowships and Honorary Degrees of Queen Mary University of London and the award of the Queen Mary Medal.

Equality and Diversity

The University is fully committed to fulfilling its duties under the Equality Act 2010 and its responsibilities under the Public Sector Equality Duty. The University's mission is to become the most inclusive research-intensive university anywhere by 2030 through successful delivery of the University's Strategy, underpinned by the People, Culture and Inclusion Enabling Plan.

The Equality, Diversity and Inclusion Steering Group has strategic oversight of equality, diversity and inclusion matters and monitors progress towards equality objectives at all levels. Equality, Diversity and Inclusion Groups in the Faculties and Professional Services provide a valuable two-way channel that offers leadership at the local level on progressing and embedding the Equality, Diversity and Inclusion agenda in the University's Schools, Institutes and Professional Service directorates.

The University publishes annual reports on Equality, Diversity and Inclusion, and on Gender and Ethnicity Pay Gaps.

Internal Control and Management of Risk

Council, as the University's governing body, has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives while safeguarding the public and other funds and assets for which Council is responsible in accordance with the responsibilities assigned to it in the Royal Charter and Ordinances and the Regulatory Framework for Higher Education in England.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve the University's Strategy. It can therefore only provide reasonable and not absolute assurance of effectiveness. It is based on an ongoing process designed to identify the principal business, operational, compliance and financial risks, to evaluate the nature and extent of those risks and to manage them efficiently and effectively.

The following process accords with guidance from the Office for Students and was in place for the year ended 31 July 2023 and up to the date of approval of the Financial Statements. The University's Strategy identifies 13 key objectives for which there are corresponding KPIs and entries in the University's Strategic Risk Register. The Strategic Risk Register identifies the nature of the risks to achieving each objective, the mitigations that are in place and planned, and the rating of each risk. It includes risk appetite statements and a system of flagging risk areas that are outside of tolerance.

The Senior Executive Team acts as the Risk Management Committee and delegates responsibility for strategic risk and risk management processes throughout management at the University. Each Faculty, School and Professional Service department maintains its own risk register alongside the University's Strategic Risk Register.

The University procures its internal audit service from KPMG. An analysis of risks to which the University is exposed informs the annual internal audit plan, which is approved by Audit and Risk Committee. The internal audit service submits regular reports to Audit and Risk Committee that include an independent opinion, based on work undertaken in accordance with its approved audit plan, on the overall adequacy and effectiveness of the University's framework of governance, risk management and control, together with recommendations for improvement.

Audit and Risk Committee independently reviews the effectiveness of internal control systems and the risk management process and reports its findings to Council. This is informed by the categorisation of risks and the maintenance of the University's Strategic Risk Register.

Council monitors progress towards the KPIs and the Strategic Risk Register on a regular basis. It also receives regular reports from Audit and Risk Committee concerning issues of risk, internal controls and their effectiveness which are informed by reports from senior managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects. A number of supporting and lead indicators have been developed which give the Senior Executive Team and Council a view on performance ahead of the publication of the formal KPIs.

Council's full review of the effectiveness of the system of internal control for the period under review was informed by Audit and Risk Committee, the work of the internal auditors and individual members of staff within the University who have responsibility for the development and maintenance of the internal control framework. Council has not identified any significant control weaknesses.

Responsibilities of Council

Council is responsible for the appointment of the external auditors, approval of the Financial Statements and for ensuring that these Financial Statements:

- comply with all relevant legislation, and the Terms and Conditions for higher education institutions issued by Office for Students (OfS). These Terms and Conditions require the Council, through the President and Principal (as the designated office holder), to prepare Financial Statements for each financial year which show a true and fair view of the state of the University's affairs, and of its income and expenditure, gains and losses, changes in reserves and cash flows for the year; and
- are prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019, and Financial Reporting Standard (FRS) 102.

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

In causing the Financial Statements to be prepared, 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 Queen Mary will continue in operation. 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.

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

Council, through the President and Principal, has taken reasonable steps to:

- ensure that funds provided by the Office for Students and Research England have been applied in accordance with the terms and conditions of the Accounts Direction and any other terms and conditions attached to them;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the University's assets and prevent and detect corruption, fraud, bribery and other irregularities; and
- secure the economical, efficient and effective management of the University's resources and expenditure.

The key elements of the University's system of internal financial control, designed to discharge these responsibilities, 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 Council;
- comprehensive Financial Regulations, detailing financial controls and procedures, approved by Council following review by Finance and Investment Committee and Audit and Risk Committee;
- an internal audit programme approved by Audit and Risk Committee and carried out by an external firm of auditors; and
- regular reviews of financial performance involving variance reporting, sensitivity analysis and updates of forecast outturn.

Council's review of the effectiveness of the system of internal financial control is informed by the work of the internal auditors, Audit and Risk Committee, the individual members of staff within the University who have responsibility for the development and maintenance of the financial control framework and comments made by the external auditors in the management letter and in other reports.

Any system of internal financial control can only provide reasonable, but not absolute, assurance against material misstatement or loss.

Independent Auditor's Report to the Council of Queen Mary University of London

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2023 and of the Group's and the University's income and expenditure, gains and losses, changes in reserves and of the Group's and the University's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

We have audited the financial statements of Queen Mary University of London ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2023 which comprise the Consolidated and University statement of comprehensive income, the Consolidated and University statement of changes in reserves, the Consolidated and University balance sheets, the Consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

Other information

The Council is responsible for the other information. The other information comprises the information included in the Strategic report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters required by the Office for Students ("OfS") and UK Research and Innovation (including Research England) and the Education and Skills Funding Agency

In our opinion, in all material respects:

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

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

- The University's grant and fee income, as disclosed in notes 1 and 2 to the accounts, has been materially misstated.
- The University's expenditure on access and participation activities for the financial year, as has been disclosed in note 10 to the accounts, has been materially misstated.

Responsibilities of the Members of Council

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group, University and the sector in which it operates;
- Discussion with management and those charged with governance (including the Audit and Risk Committee and internal audit provision);
- Obtaining and understanding of the Group's and University's policies and procedures regarding compliance with laws and regulations; and
- Direct representation from the Accountable Officer.

we considered the significant laws and regulations to be The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006, the Charities Act 2011, Corporate and VAT legislation, Employment Taxes, and the Bribery Act 2010.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety legislation and registration with the Office for Students and their ongoing conditions of registration.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance (including the Audit and Risk Committee and internal audit provision) regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Considered management's incentives and opportunities for fraudulent manipulation of the financial statements;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition, posting inappropriate journal entries to manipulate financial results and management bias in significant judgements and accounting estimates.

Our procedures in respect of the above included:

- Testing a sample of income transactions throughout the year, and around the year end to ensure that income recognition is in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019, the Financial Reporting Standard (FRS 102) and stated accounting policies;
- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management, journals posted by individuals outside of their expected job roles, and others deemed unusual based on our expectations;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. Areas of identified risk are then tested substantively;
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the actuarial assumptions used in the valuation of defined benefit scheme liabilities and the assumptions used in the valuation of loan notes;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and relevant regulators to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility; and
- Direct enquiry of the Accountable Officer.

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the Members of Council as a body, in accordance with Section 75 of the Higher Education Research Act 2017 and the charters and statutes of the University. Our audit work has been undertaken so that we might state to the University's Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Members of Council as a body, for our audit work, for this report, or for the opinions we have formed.

James Aston MBE
(Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
Gatwick, UK

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

Consolidated and Institution Statement of Comprehensive Income and Expenditure

for the year ended 31 July 2023

	Notes	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 Institution £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 Institution £'000
Income					
Tuition fees and education contracts	1	**382,856**	**376,877**	361,574	356,846
Funding body grants	2	**87,247**	**87,247**	73,224	73,224
Research grants and contracts	3	**138,229**	**137,843**	123,382	122,900
Other income	4	**54,793**	**52,277**	69,895	66,776
Investment income	5	**13,772**	**13,710**	2,168	2,163
Donations and endowments	6	**2,922**	**2,255**	4,285	3,830
Total income		**679,819**	**670,209**	634,528	625,739
Expenditure					
Staff costs	8	**346,263**	**341,450**	306,172	302,118
Pension provision movement	8	**(15,356)**	**(15,356)**	95,235	95,235
Other operating expenses		**230,263**	**227,958**	194,434	192,696
Depreciation and amortisation	12,13	**28,843**	**27,857**	26,819	25,784
Interest and other finance costs	9	**13,293**	**12,568**	8,295	7,525
Total expenditure	10	**603,306**	**594,477**	630,955	623,358
Surplus/(deficit) before other gains/(losses) and share of operating profit/(loss) of associates		**76,513**	**75,732**	3,573	2,381
Share of profit/(loss) in associates		**468**	**-**	(138)	-
Gain/(loss) on investments		**452**	**414**	(158)	(30)
Loss on disposal of tangible assets		**-**	**-**	-	-
Fair value movement in unsecured notes		**15,534**	**15,534**	39,525	39,525
Surplus/(Deficit) before tax		**92,967**	**91,680**	42,802	41,876
Taxation	11	**(1,035)**	**(857)**	(930)	(777)
Surplus/(deficit) for the year		**91,932**	**90,823**	41,872	41,099
Share of other comprehensive income of associates and subsidiaries		**(408)**	**-**	32	-
Actuarial gain/(loss) in respect of pension schemes	31	**476**	**476**	527	527
Total comprehensive income and expenditure for the year		**92,000**	**91,299**	42,431	41,626
Represented by:					
Endowment comprehensive income and expenditure for the year		**302**	**302**	2,108	2,108
Restricted comprehensive income and expenditure for the year		**591**	**5**	1,283	763
Unrestricted comprehensive income and expenditure for the year		**91,107**	**90,992**	39,040	38,755
Attributable to the Institution		**92,000**	**91,299**	42,431	41,626
Attributable to the non-controlling interest		**-**	**-**	-	-
		92,000	**91,299**	42,431	41,626
Surplus/(deficit) for the year attributable to:					
Non-controlling interest		**-**	**-**	-	-
Institution		**91,932**	**90,823**	41,872	41,099

All items of income and expenditure relate to continuing activities

Consolidated and Institution Statement of Financial Position

As at 31 July 2023

	Notes	As at 31 July 2023 Consolidated £'000	As at 31 July 2023 Institution £'000	As at 31 July 2022 Consolidated £'000	As at 31 July 2022 Institution £'000
Non-current assets					
Intangible assets	12	**4,936**	**4,936**	4,753	4,753
Tangible assets	13	**684,671**	**676,035**	654,051	644,476
Investments	14	**46,320**	**49,730**	46,036	49,483
Investments in associates	15	**517**	**315**	250	298
		736,444	**731,016**	705,090	699,010
Current assets					
Stock		**800**	**800**	346	346
Trade and other receivables	16	**118,440**	**121,179**	95,223	97,900
Investments	17	**208,379**	**208,379**	154,503	154,503
Cash and cash equivalents	24	**145,963**	**140,121**	187,005	182,142
		473,582	**470,479**	437,077	434,891
Less: Creditors: amounts falling due within one year	18	**(192,805)**	**(192,899)**	(187,865)	(188,467)
Net current assets/(liabilities)		**280,777**	**277,580**	249,212	246,424
Total assets less current liabilities		**1,017,221**	**1,008,596**	954,302	945,434
Creditors: amounts falling due after more than one year	19	**(199,763)**	**(187,418)**	(218,903)	(205,614)
Provisions					
Pension provisions	20	**(154,632)**	**(154,632)**	(164,669)	(164,669)
Other provisions	21	**(136)**	**(136)**	(40)	(40)
Total net assets		**662,690**	**666,410**	570,690	575,111
Restricted Reserves					
Income and expenditure reserve - endowment	22	**43,741**	**43,741**	43,439	43,439
Income and expenditure reserve - restricted	23	**4,440**	**2,752**	3,849	2,747
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		**614,514**	**619,917**	523,407	528,925
		662,695	**666,410**	570,695	575,111
Non-controlling interest		**(5)**	**-**	(5)	-
Total Reserves		**662,690**	**666,410**	570,690	575,111

The financial statements were approved by Council on ____________________ and were signed on its behalf on that date by:

Lord Clement-Jones CBE, Chair

Professor C Bailey, President and Principal

Consolidated and Institution Statement of Cash Flows
for the year ended 31 July 2023

	Notes	Year ended 31 July 2023 Consolidated	Year ended 31 July 2023 Institution	Year ended 31 July 2022 Consolidated	Year ended 31 July 2022 Institution
		£'000	**£'000**	£'000	£'000
Cash flow from operating activities					
Surplus/(deficit) for the year before taxation		**92,967**	**91,680**	42,802	41,876
Adjustment for non-cash items					
Depreciation(tangible assets)	13	**27,335**	**26,349**	25,359	24,324
Amortisation (intangible assets)	12	**1,508**	**1,508**	1,460	1,460
Fair value movement in unsecured notes		**(15,534)**	**(15,534)**	(39,525)	(39,525)
(Gain)/Loss on investments		**(452)**	**(414)**	158	30
(Increase)/decrease in stock		**(454)**	**(454)**	112	112
(Increase) in current debtors		**(23,318)**	**(23,279)**	(12,497)	(11,514)
Increase/(Decrease) in creditors		**2,843**	**2,570**	38,614	38,322
Net charge on pension scheme	9	**5,892**	**5,892**	1,009	1,009
Increase/(Decrease) in pension provision excluding actuarial gains and net charge	20	**(15,452)**	**(15,452)**	96,207	96,207
Increase/(Decrease) in other provisions		**96**	**96**	(60)	(60)
Donations in kind	6	**-**	**-**	(899)	(899)
Share of (profit)/loss in associates		**(468)**	**-**	138	-
Adjustment for investing or financing activities					
Investment income	5	**(13,772)**	**(13,710)**	(2,168)	(2,163)
Interest payable on loans and finance leases	9	**7,401**	**6,676**	7,286	6,516
New endowments	6	**(104)**	**(104)**	(1,102)	(1,102)
Capital grant income		**(13,487)**	**(13,487)**	(21,212)	(21,212)
Net cash generated from operating activities		**55,001**	**52,337**	135,682	133,381
Taxation		**(934)**	**(857)**	(779)	(777)
Net cash generated from operating activities after tax		**54,067**	**51,480**	134,903	132,604

Consolidated and Institution Statement of Cash Flows (continued)
for the year ended 31 July 2023

	Notes	Year ended 31 July 2023 Consolidated	Year ended 31 July 2023 Institution	Year ended 31 July 2022 Consolidated	Year ended 31 July 2022 Institution
		£'000	**£'000**	£'000	£'000
Cash flows from investing activities					
Capital grant receipts		**13,487**	**13,487**	21,212	21,212
Realised gain on investments		**621**	**621**	-	-
New investments in associates		**(315)**	**(315)**	-	-
Disposal proceeds		**-**	**-**	718	718
Investment income		**13,772**	**13,710**	2,168	2,163
Payments made to acquire tangible assets		**(57,955)**	**(57,908)**	(54,834)	(54,816)
Payments made to acquire intangible assets		**(1,691)**	**(1,691)**	(1,130)	(1,130)
Movements on bank deposits		**(53,126)**	**(53,126)**	(69,998)	(69,998)
Net cash (used by) investing activities		**(85,207)**	**(85,222)**	(101,864)	(101,851)
Cash flows from financing activities					
Loan interest		**(7,889)**	**(7,164)**	(7,784)	(7,014)
Interest element of finance lease		**(1)**	**(1)**	(1)	(1)
Endowment cash received		**104**	**104**	1,102	1,102
Repayments of amounts borrowed		**(1,983)**	**(1,085)**	(1,905)	(1,051)
Capital element of finance lease payments		**(133)**	**(133)**	(133)	(133)
Net cash (used by) financing activities		**(9,902)**	**(8,279)**	(8,721)	(7,097)
Increase in cash and cash equivalents in the year		**(41,042)**	**(42,021)**	24,318	23,656
Cash and cash equivalents at beginning of the year		**187,005**	**182,142**	162,687	158,486
Cash and cash equivalents at end of the year		**145,963**	**140,121**	187,005	182,142
	24	**(41,042)**	**(42,021)**	24,318	23,656

Consolidated and Institution Statement of Changes in Reserves
for the year ended 31 July 2023

Consolidated	Income and expenditure account			Total		Total
	Endowment (note 22)	Restricted (note 23)	Unrestricted	(excluding non-controlling interest)	Non-controlling interest	
	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 August 2021	41,331	2,566	484,367	**528,264**	(5)	**528,259**
Surplus or (deficit) from the statement of comprehensive income and expenditure	2,108	1,283	38,481	**41,872**	-	**41,872**
Other comprehensive income or (expenditure)	-	-	559	**559**	-	**559**
Total comprehensive income or (expenditure) for the year	2,108	1,283	39,040	**42,431**	-	**42,431**
As at 1 August 2022	43,439	3,849	523,407	**570,695**	(5)	**570,690**
Surplus or (deficit) from the statement of comprehensive income and expenditure	302	591	91,039	**91,932**	-	**91,932**
Other comprehensive income or (expenditure)	-	-	68	**68**	-	**68**
Total comprehensive income or (expenditure) for the year	302	591	91,107	**92,000**	-	**92,000**
As at 31 July 2023	43,741	4,440	614,514	**662,695**	(5)	**662,690**

Consolidated and Institution Statement of Changes in Reserves (continued)
for the year ended 31 July 2023

Institution	Income and expenditure account			Total		Total
	Endowment (note 22)	Restricted (note 23)	Unrestricted	(excluding non-controlling interest)	Non-controlling interest	
	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 August 2021	41,331	1,984	490,170	**533,485**	-	**533,485**
Surplus or (deficit) from the statement of comprehensive income and expenditure	2,108	763	38,228	**41,099**	-	**41,099**
Other comprehensive income or (expenditure)	-	-	527	**527**	-	**527**
Total comprehensive income or (expenditure) for the year	2,108	763	38,755	**41,626**	-	**41,626**
As at 1 August 2022	43,439	2,747	528,925	**575,111**	-	**575,111**
Surplus or (deficit) from the statement of comprehensive income and expenditure	302	5	90,516	**90,823**	-	**90,823**
Other comprehensive income or (expenditure)	-	-	476	**476**	-	**476**
Total comprehensive income or (expenditure) for the year	302	5	90,992	**91,299**	-	**91,299**
As at 31 July 2023	43,741	2,752	619,917	**666,410**	-	**666,410**

Basis of preparation

These Financial Statements have been prepared on a going concern basis and in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standard (FRS 102). They have also been prepared in accordance with the accounts direction issued by the Office for Students issued 25 October 2019. Queen Mary University of London is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The Financial Statements are prepared in accordance with the historical cost convention, modified by the revaluation of tangible assets and the recognition of financial instruments at fair value.

Going Concern

The 2023/24 budget was approved in March 2023, with planned income of £726m and cash generation of £74m. The budget and financial forecasts to 2027/28 were prepared to incorporate the resources required to continue to deliver the 2030 strategy. Inflationary pressures in particular have impacted on the university's finances through increased operating costs, and income streams are largely unable to keep pace with this given the nature of the university's largest income stream is: tuition fees, where the home fee has been fixed since 2017. In the 2022/23 financial year, total income has increased by 7%, whereas total expenditure (excluding pension provision) has increased by 15%. Planning for these inflationary pressures was one of the main themes of the annual planning round, and the university was able to set a budget for the 2023/24 year which included full provision for the JNCHES 2023/24 pay award. The budget and future year forecasts indicate that the continued growth in both income and operating cash is sufficient to ameliorate cost increases and to fund the required investment in staff and infrastructure to support the strategy in the medium term. However, it should be noted that the impact of inflation on the cost base of the university will be embedded, and unless the position on regulated fees is reviewed by the government, this will make managing the finances of the university more challenging over a longer term time horizon.

Rising interest rates have had a largely positive direct impact on the university's finances, as the majority of the long term borrowing held by the university is at fixed interest rates, whereas interest rates received by the university for its cash reserves have increased significantly during the 2022/23 year. This upside has also been factored in to future budgets, providing a small offset to operating cost pressures. Besides economic risks the sector and the university are exposed to various other external risks such as government policy on sector funding, geopolitical events, industrial relations, pension costs and the economic health of the countries in which our students are domiciled. All of these various risk factors and the potential financial impacts associated with them are considered in our future strategic planning. Whilst recognising these challenges management have modelled a number of scenarios. The most significant risks to cash generation are overseas student recruitment and further inflationary pressures, and the assumptions used within the budget with regards to these have been tested as part of the assessment of Going Concern. In coming to its final decision that the Going Concern basis is appropriate, Council considered scenarios where student recruitment and tuition fee income and inflationary pressures deviated from the central case used within the budget to gauge the financial impact on the institution and mitigatory strategies which the University would employ if necessary. Council concluded that whilst significant risks exist, the current financial position of the University, and indications of future student numbers, mean that the budget is stretching but achievable.

Going Concern (continued)

The budget and financial forecasts include cash flow forecasts for more than 12 months from the date of approval of these financial statements. After reviewing these forecasts, Council is of the opinion that, taking account of potential plausible downsides, the University will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period) and beyond. Council also noted that the mitigations which could be employed to conserve cash in a stressed scenario, including restricting planned expenditure and slowing capital expenditure. In reviewing the forecasts and scenarios Council was satisfied that continued compliance with the University's loan covenants was achievable. Having made these assessments Council has determined that there is no material uncertainty that casts doubt on Queen Mary's ability to continue as a going concern.

Basis of consolidation

The consolidated financial statements include Queen Mary (the University) and all its subsidiaries for the financial year to 31 July 2023. Intra-group transactions are eliminated on consolidation. The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions. Associated companies are accounted for using the equity method. The University is the ultimate controlling entity of the group.

Income recognition

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

ii Fee income is credited to the Consolidated Statement of Comprehensive Income and Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced by a prompt payment discount, a fee waiver or scholarships which reduce the tuition fee payable, the net amount is taken to income. Where bursaries and student support payments are customarily made, income receivable is stated net of the payments. All other bursaries and student support payments are accounted for gross as expenditure and not deducted from income.

iii Grant funding including funding body grants, research and other grants from government and non-government sources are recognised as income when the University is entitled to it and the performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the statement of financial position and released to income as the conditions are met.

iv Donations and endowments are recognised in income when the University is entitled to the funds. Income from donations with donor imposed restrictions is retained within the restricted or endowment reserve until such time that it is utilised in line with the restrictions when the income is released to general reserves through a reserve transfer. Donations with no restrictions are recognised in income when the University is entitled to the funds and retained within unrestricted reserves.

There are four main types of donations and endowments identified within reserves:

a. Restricted donations - the donor has specified that the donation must be used for a particular objective.
b. Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income for the general purposes of the University.

Income recognition (continued)

c. Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible assets, and the University has the power to use the capital.
d. Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

v Investment income is credited to the Consolidated Statement of Comprehensive Income and Expenditure on a receivable basis as restricted or unrestricted income according to the terms of the donation or endowment.

vi Increases or decreases in value arising on the revaluation or disposal of tangible asset investments are added to or subtracted from the investment concerned and recognised in the Consolidated Statement of Comprehensive Income and Expenditure.

vii Capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met. Where grant funded assets are in the course of construction, we consider on a case by case basis whether their construction constitutes a performance related condition. In the event that it does, income will be recognised as the expenditure to complete the asset is incurred.

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

Employment benefits

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

Accounting for retirement benefits

As described in note 31, Queen Mary is a member of three defined benefit pension schemes: the Superannuation Arrangements of the University of London (SAUL), the Universities Superannuation Scheme (USS), and the NHS Public Service Scheme (NHS). Queen Mary also operates a closed defined benefit pension scheme for former non-teaching staff of the London Hospital and St Bartholomew's Hospital medical colleges.

The SAUL and USS schemes are defined benefit schemes which are externally funded and are valued every three years by professionally qualified independent actuaries. Both SAUL and USS are multi-employer schemes for which it is not possible to identify the assets and liabilities applying to Queen Mary’s membership due to the mutual nature of the scheme and therefore these schemes are accounted for as a defined contribution scheme. Contributions to the scheme are recognised as an expense in the Consolidated Statement of Comprehensive Income and Expenditure in the periods during which services are rendered by employees. In addition, a liability is recorded in the Consolidated Statement of Comprehensive Income and Expenditure when a contractual commitment to fund past deficits is made. The liability is held within provisions and released to expenditure to decrease pension payments made over the term of the commitment.

Accounting for retirement benefits (continued)

The NHS pension scheme is an unfunded multi-employer scheme. Contributions to the scheme are recognised as an expense in the Consolidated Statement of Comprehensive Income and Expenditure in the periods during which services are rendered by employees on the basis of contributions payable.

London Hospital and St Bartholomew's Hospital medical colleges pension scheme is a defined benefit plan. Queen Mary has an obligation to provide the agreed benefits to former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The University recognises a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus through refunds from the plan.

Financial Instruments

As allowable under FRS 102 Queen Mary has adopted the option to apply the recognition, measurement and disclosure requirements of sections 11 and 12 of FRS 102.

Equity investments are recognised initially at fair value which is normally the transaction price. Subsequently, they are measured at fair value through Consolidated Statement of Comprehensive Income and Expenditure except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measure of fair value becomes available. If a reliable measure of fair value is no longer available, the equity instrument’s fair value on the last date the instrument was reliably measurable is treated as the cost of the instrument. Investments in associates and subsidiaries are carried at cost less impairment.

The managed investment portfolio, a group of financial assets and debt instruments, is evaluated on a fair value basis through Consolidated Statement of Comprehensive Income and Expenditure.

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

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in the Consolidated Statement of Comprehensive Income and Expenditure. All interest-bearing loans and borrowings which are non-basic financial instruments are measured at fair value through the Consolidated Statement of Comprehensive Income and Expenditure. Fair value measurement: the best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Cash and cash equivalents are included at amortised cost using the effective interest rate method.

Finance Leases
Leases in which Queen Mary assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

Foreign currency
Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the Statement of Financial Position. Exchange differences arising have been included in the Consolidated Statement of Comprehensive Income and Expenditure.

The assets and liabilities of foreign operations, arising on consolidation, are translated into sterling at the rate of exchange at the date of the Statement of Financial Position. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported in the Consolidated Statement of Comprehensive Income and Expenditure.

Intangible assets
Intangible assets are stated at cost less amortisation or at impaired value. 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 Consolidated Statement of Comprehensive Income and Expenditure.

Third party software and the costs associated with its implementation costing less than £25,000 per individual item or group of related items is written off in the year of acquisition. All other costs are amortised over 3-8 years on a straight line basis, the period of its estimated useful life.

Statement of Principal Accounting Policies (Continued)
for the year ended 31 July 2023

Tangible assets
Fixed assets are stated at cost or deemed cost less accumulated depreciation. Depreciation is calculated on a straight line basis. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for intended use. Where parts of a tangible asset have different useful lives, they are accounted for as separate items of tangible assets.

Land and buildings were revalued to fair value on 31 July 2014. The University has taken advantage of the transitional arrangements in FRS 102 to apply this valuation as deemed cost but not to adopt a valuation policy going forward. Additions to land and buildings since 1 August 2014 have been at cost.

i Buildings are depreciated over 50 years. Depreciation on leased buildings is calculated 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.

ii 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.

iii Freehold improvement works are depreciated over 20-40 years.

iv Leasehold improvement works are depreciated over 20-40 years or the term of the lease if shorter.

v Plant & Machinery is depreciated over 10-15 years.

vi Fixtures & Fittings are depreciated over 10 years.

vii Equipment is depreciated over 3-8 years.

viii Plant & Machinery, Equipment and Fixtures & Fittings costing less than £25,000 per individual item or group of related items is written off in the year of acquisition. All other items are capitalised.

ix Where assets are acquired with the aid of specific grants they are capitalised and depreciated over the shorter of the term of the grant or the depreciation terms as set out above.

x Assets held under finance leases are depreciated over the period of the finance lease or the depreciation terms as set out above whichever is shorter.

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

xii 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.

xiii 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 Consolidated Statement of Comprehensive Income and Expenditure. Circumstances which could give rise to an impairment are reviewed annually.

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

xv Expenditure to ensure that a tangible asset maintains its previously recognised standard of performance is recognised in the Consolidated Statement of Comprehensive Income and Expenditure in the year it is incurred. The University has a planned maintenance programme which is reviewed annually.

Investments

i Investments in associates and subsidiaries are shown at the lower of cost or net realisable value.

ii Associate undertakings are shown at Queen Mary's attributable share of net assets in the Statement of Financial Position.

iii Listed investments held for the benefit of the endowment portfolio are shown at market valuation with movements recognised in the Consolidated Statement of Comprehensive Income and Expenditure.

iv Shares held in other non-current asset investments are initially held at their transaction price. Thereafter, they are measured at fair value through the Consolidated Statement of Comprehensive Income and Expenditure except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measure of fair value becomes available. If a reliable measure of fair value is no longer available, the equity instrument's fair value on the last date the instrument was reliably measurable is treated as the cost of the instrument.

v Current asset investments are held at fair value with movements recognised in the Consolidated Statement of Comprehensive Income and Expenditure.

Stock

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 Consolidated Statement of Comprehensive Income and Expenditure.

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments, typically with a maturity of up to 3 months from the initial investment, that are readily convertible to known amounts of cash with insignificant risk of change in value. Cash held on deposit for longer than three months is accounted for as current asset investments.

Provisions

Provisions are recognised in the Financial Statements when:

i The University has a present obligation (legal or constructive) as a result of a past event;

ii it is probable that an outflow of economic benefits will be required to settle the obligation; and

iii a reliable estimate can be made of the amount of the obligation.

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

Statement of Principal Accounting Policies (Continued)
for the year ended 31 July 2023

Contingent Liabilities

A contingent liability arises from a past event that gives the University a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University or where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Statement of FinancialPosition but are disclosed in the notes.

Accounting for Intercompany Loans

The University accounts for intercompany loans using the accounting treatment for public benefit entities in Section 34 of FRS 102.

Taxation

Queen Mary 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, the University is potentially exempt from tax in respect of income or capital gains received within categories covered by Sections 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. The University 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 or outside the scope activities under VAT legislation. Irrecoverable VAT is included in the cost of the goods or service.

Deferred taxation

Deferred tax arises from timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise for a subsidiary and deferred tax assets are only recognised to the extent that it is probable that they will be recovered against future taxable profits by a subsidiary. The deferred tax assets and liabilities are not discounted and are netted in the Statement of Financial Position.

Reserves

Reserves are classified as restricted or unrestricted.

i The restricted endowment reserve comprises endowments made to the University where the donor has specified that the fund is to be invested to generate an income stream to be applied to a specific purpose.

ii The restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds. the University is restricted in the use of these funds.

Accounting Estimates and Judgements

The following are the key judgements and sources of uncertainty in the estimates that have the most significant effect on the amounts recognised in the Financial Statements:

Pension provision assumptions

In the judgement of the University it is appropriate to account for the USS past deficit obligation in accordance with the deficit recovery plan agreed after the 2020 valuation. This requires payment of 6.2% of salaries over the period 1 April 2022 to 31 March 2024 from when it increases to 6.3% until 30 April 2038. The 2023 deficit recovery liability in the financial statements reflects this plan. The rate used to discount future contributions to the USS deficit recovery plan at the balance sheet date reflects the yield on high quality corporate bonds consistent with the currency and estimated period of future payments. The rates used are based on work commissioned by the British Universities Finance Directors' Group (BUFDG) from Mercer for the HE sector as a whole. The other assumptions used for calculation of the provision are the estimated salary inflation in future years and estimated changes in number of staff who are members of the USS pension scheme in future years. These are consistent with our internal financial forecasting assumptions.

Valuation of Loan Notes

In January 2019 QMUL issued £160m of unsecured senior notes, £96.5m of which are treated as non-basic financial instruments. As non-basic financial instruments, the loan notes are measured at fair value in the Financial Statements with any movement in value recognised through the consolidated statement of comprehensive income and expenditure. The University has obtained an independent fair value of the non-basic loan notes and this value has been included in the Financial Statements. The valuation is based on the assumption that the loan notes will be held until maturity and will not be prepaid early. This assumption is consistent with the University's financial plans.

1 Tuition fees and education contracts

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	**Institution**	Consolidated	Institution
	£'000	**£'000**	£'000	£'000
Full-time home and EU students	**145,222**	**139,951**	147,501	142,773
Full-time international students	**212,736**	**212,096**	190,084	190,084
Part-time students	**7,512**	**7,444**	8,530	8,530
Short course fees	**3,885**	**3,885**	3,430	3,430
Other fees and support grants	**3,479**	**3,479**	3,692	3,692
Education contracts	**10,022**	**10,022**	8,337	8,337
	382,856	**376,877**	361,574	356,846

2 Funding body grants

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	**Institution**	Consolidated	Institution
	£'000	**£'000**	£'000	£'000
Recurrent grant				
Revenue				
Office for Students	**24,561**	**24,561**	21,991	21,991
Research England	**45,242**	**45,242**	36,381	36,381
Capital				
Office for Students	**-**	**-**	-	-
Research England	**6,905**	**6,905**	3,865	3,865
Specific grants				
Revenue				
Office for Students	**2,108**	**2,108**	1,922	1,922
Research England	**2,534**	**2,534**	2,003	2,003
Capital				
Office for Students	**300**	**300**	1,730	1,730
Research England	**-**	**-**	-	-
Higher Education Innovation Fund				
Research England	**5,597**	**5,597**	5,332	5,332
	87,247	**87,247**	73,224	73,224

3 Research grants and contracts

	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 Institution £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 Institution £'000
Research councils	**43,302**	**43,302**	39,592	39,590
Research charities	**45,548**	**45,516**	40,876	40,771
Government (UK and overseas)	**26,604**	**26,587**	24,522	24,491
Industry and commerce	**20,345**	**20,090**	16,866	16,588
Other	**2,430**	**2,348**	1,526	1,460
	138,229	**137,843**	123,382	122,900
Included within Research grants and contracts above are capital grants of:	**4,460**	**4,460**	2,249	2,249

4 Other income

	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 Institution £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 Institution £'000
Residences, catering and conferences	**22,537**	**22,632**	21,305	21,127
Other services rendered	**6,045**	**6,455**	7,077	7,491
Health Authorities	**11,045**	**11,045**	11,719	11,719
Other revenue income	**13,344**	**10,323**	16,575	13,220
Other capital income	**1,822**	**1,822**	13,219	13,219
	54,793	**52,277**	69,895	66,776

5 Investment income

	Notes	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 Institution £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 Institution £'000
Investment income on expendable endowments	22	**326**	**326**	206	206
Investment income on permanent endowments	22	**777**	**777**	501	501
Other investment income		**12,669**	**12,607**	1,461	1,456
Net return on pension scheme	31	**-**	**-**	-	-
		13,772	**13,710**	2,168	2,163

Notes to the Financial Statements (Continued)
for the year ended 31 July 2023

6 Donations and endowments

	Note	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 Institution £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 Institution £'000
New endowments	22	**104**	**104**	1,102	1,102
Donations with restrictions	23	**2,389**	**1,676**	1,623	1,172
Unrestricted donations		**429**	**475**	1,560	1,556
		2,922	**2,255**	4,285	3,830
Income donated for capital expenditure:		**-**	**-**	149	149

Donations income includes donations in kind totalling £nil (2022: £899,232) of which £nil (2022: £149,232) is funding for capital projects.

7 Grant and Fee Income

The source of grant and fee income, included in notes 1 to 3 is as follows:

	Note	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 Institution £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 Institution £'000
OfS (Grant income from the OfS)	2	**26,969**	**26,969**	25,643	25,643
Other bodies (Grant income from other bodies)	2	**60,278**	**60,278**	47,581	47,581
Research awards (Fee income for research awards (exclusive of Vat))	1&3	**7,031**	**7,031**	6,136	6,136
Non-qualifying (Fee income from non-qualifying courses (exclusive of Vat))	1	**14,988**	**14,988**	12,258	12,258
Taught (Fee income for taught awards (exclusive of Vat))	1	**363,470**	**357,490**	345,377	340,649
		472,736	**466,756**	436,995	432,267

Fee income above consists of tuition fee income net of fee waivers. Research awards fee income includes £2,633,216 (2022: £2,196,956) of tuition fees funded from research grants (note 3)

8 Staff costs

		Year ended 31 July 2023		Year ended 31 July 2022	
		Consolidated £'000	**Institution £'000**	Consolidated £'000	Institution £'000
Staff costs:	Notes				
Salaries		**269,466**	**265,043**	239,639	235,984
Social security costs		**27,726**	**27,489**	24,721	24,502
Movement in holiday pay accrual		**401**	**411**	(247)	(247)
Other pension costs		**47,700**	**47,537**	41,261	41,081
Compensation for loss of office		**970**	**970**	798	798
		346,263	**341,450**	306,172	302,118
Pension provision movements:					
Movement on USS provision	20	**(15,356)**	**(15,356)**	95,235	95,235
		(15,356)	**(15,356)**	95,235	95,235
		330,907	**326,094**	401,407	397,353

	2023	2022
Compensation for loss of office:	**Consolidated**	Consolidated
Total amount of compensation for loss of office	**£ 969,916**	£ 797,748
Number of people to whom this was payable	**121**	131

	2023	2022
Average FTE staff numbers by major category:	**Consolidated No.**	Consolidated No.
Academic, education and research	**2,501**	2,357
Professional services	**1,787**	1,597
Technical services	**267**	260
Operational services	**284**	291
	4,839	4,505

8 Staff costs (continued)

Remuneration of the President and Principal:
Professor Colin Bailey

	2023 £	2022 £
Emoluments:		
Basic Salary	**328,922**	316,180
Benefits in kind - taxable		
Utilities, service charge and furniture in Principal's accommodation	**8,702**	10,708
Taxable accommodation	**400**	400
Total remuneration before pension contributions	**338,024**	327,288
Pension Contributions to USS	**20,722**	17,653
Total remuneration including pension contributions	**358,746**	344,941

Justification for the total remuneration package for Professor Colin Bailey

The President and Principal is the chief academic and executive officer of the University with ultimate responsibility for the development and delivery of the Strategy, as well as for ensuring that the University has the financial strength and sustainability to achieve its ambitions. The post-holder is responsible for maintaining and promoting the University’s values and distinctive identity, for overseeing the achievement of high international standards in education and research across all disciplines, and for protecting and developing the University’s reputation on a regional, national and international level.

Professor Colin Bailey CBE has been the University’s President and Principal since September 2017. He was appointed following an international search, which was overseen by Council, and his salary at the time was set close to the median compared to other Russell Group universities. Professor Bailey made clear in advance his intention to waive any salary increase or bonus that the Committee may wish to award between 2017/18 and 2020/21.

In 2021, Council re-appointed Professor Bailey for a further five years considering his significant contribution in the role. Council also increased Professor Bailey’s basic salary from £300,000 to £316,180 after four years in which his actual salary had remained constant. This uplift corresponded to the national cost of living increases awarded to members of staff at the University between 2018/19 and 2021/22 and ensured that Professor Bailey’s salary increased at the same rate, or less, compared to the salaries of other staff at the University in a context of financial austerity caused by the Coronavirus pandemic and after a year in which no cost of living increases were awarded across many sectors.

In recognition of Professor Bailey’s continuing contribution in 2022/23, Remuneration Committee agreed two further uplifts to his basic salary aligned to the national cost of living increases awarded to members of staff at the University (3% from August 2022 and 2% from February 2023). The combined effect of these uplifts was to increase Professor Bailey’s basic salary to £332,178, which remains close to the median compared to other Russell Group universities.

8 Staff costs (continued)

Justification for the total remuneration package for Professor Colin Bailey (continued)

Council requires the President and Principal to reside in nearby accommodation, which it provides for the better performance of the duties and for official business. This is consistent with similar arrangements at other universities, especially in London. The University purchased the property outright in 1976 for £55,000. The gross rating value of the property used to calculate the cash equivalent of the accommodation benefit is £400.

Professor Bailey has elected for the enhanced opt-out section of the Universities Superannuation Scheme (the same employer pension scheme that is available to other academic and related staff) by which the University makes contributions at a reduced rate for Professor Bailey to retain in-service benefits. The enhanced opt-out contribution rate for employers in 2022/23 was 6.3%, compared to the full contribution rate of 21.6%.

Remuneration Committee publishes an Annual Report with further information about the President and Principal's remuneration, performance and objectives:
www.arcs.qmul.ac.uk/governance/council/committees/remuneration-committee

Relationship between Professor Colin Bailey's emoluments and the median value for all staff employed by the University:	**2023 Median**	2022 Median
Basic Salary (median calculated as full-time equivalent for the salaries of all staff)	**8.5**	**8.6**
Total remuneration (median calculated as full-time equivalent for the remuneration of all staff)	**7.7**	**7.9**

Trustees (Council Members)
The Trustees neither received nor waived any emoluments during the year (2022: £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 2023 three Trustees (2022: 1) were reimbursed a total of £781 (2022: £124).

8 Staff costs (continued)

Key management personnel
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Emoluments include any compensation paid to key management personnel. The President and Principal is included together with the other members of Queen Mary's Senior Executive who are listed on the final page of the financial statements.

	2023	2022
Emoluments:	**£**	£
Salary	**2,196,927**	2,224,523
Benefits in kind	**9,102**	11,108
Severance	**-**	-
Total remuneration before pension contributions	**2,206,029**	2,235,631
Pension Contributions to USS	**287,004**	291,461
Total remuneration including pension contributions	**2,493,033**	2,527,092

The number of staff who earned a basic salary of over £100,000 in the year	**2023 No.**	2022 No.
£100,000 - £104,999	**35**	42
£105,000 - £109,999	**34**	20
£110,000 - £114,999	**16**	26
£115,000 - £119,999	**23**	13
£120,000 - £124,999	**28**	9
£125,000 - £129,999	**7**	4
£130,000 - £134,999	**3**	7
£135,000 - £139,999	**7**	8
£140,000 - £144,999	**6**	7
£145,000 - £149,999	**12**	3
£150,000 - £154,999	**5**	1
£155,000 - £159,999	**1**	1
£160,000 - £164,999	**1**	1
£165,000 - £169,999	**0**	1
£170,000 - £174,999	**2**	0
£175,000 - £179,999	**0**	1
£185,000 - £189,999	**0**	3
£195,000 - £199,999	**2**	1
£200,000 - £204,999	**1**	0
£205,000 - £209,999	**1**	0
£315,000 - £319,999	**0**	1
£325,000 - £329,999	**1**	0
	185	149

The salary bandings above exclude London Allowance as this is not considered to be part of basic pay.

9 Interest and other finance costs

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	**Institution**	Consolidated	Institution
	£'000	**£'000**	£'000	£'000
Loan interest	**7,400**	**6,675**	7,285	6,515
Finance lease interest	**1**	**1**	1	1
Net charge on pension schemes	**5,892**	**5,892**	1,009	1,009
Other	**-**	**-**	-	-
	13,293	**12,568**	8,295	7,525

10 Analysis of total expenditure by activity

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	**Institution**	Consolidated	Institution
	£'000	**£'000**	£'000	£'000
Academic and related expenditure	**305,787**	**301,042**	263,997	260,199
Administration and central services	**114,024**	**113,977**	97,486	97,486
Premises	**48,823**	**48,035**	40,835	40,223
Residences, catering and conferences	**26,776**	**25,795**	22,908	22,068
Research grants and contracts	**112,841**	**112,540**	101,841	101,758
Pension Provision	**(15,356)**	**(15,356)**	95,235	95,235
Other expenses	**10,411**	**8,444**	8,653	6,389
	603,306	**594,477**	630,955	623,358

	2023	2022
	Consolidated	Consolidated
		£'000
Other operating expenses include:		
External auditor's remuneration in respect of audit services for current year (excluding non-recoverable VAT)	**248**	214
External auditor's remuneration in respect of non-audit services (excluding non-recoverable VAT)	**7**	-
Operating lease rentals		
Land and buildings	**8,865**	8,519
Other	**563**	566

10 Analysis of total expenditure by activity (continued)

Access and Participation

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	**Institution**	Consolidated	Institution
	£'000	**£'000**	£'000	£'000
Access Investment	**1,030**	**1,030**	1,044	1,044
Financial Support	**9,084**	**9,084**	9,093	9,093
Support for Disabled Students	**961**	**961**	980	980
Research and Evaluation	**102**	**102**	90	90
Total Spend	**11,177**	**11,177**	11,207	11,207
Of which staff costs	**1,626**	**1,626**	1,472	1,472

A link to Queen Mary's Access and Participation Plan 2022/23 can be found at:
https://www.qmul.ac.uk/media/qmul/media/publications/QMUL-2020-21-to-2024-25-Access-and-participation-plan.pdf
This sets out our approach to widening access and ongoing support for students from underrepresented and disadvantaged communities, including our investment plan.

The investment to support activities described within our Access and Participation Plan is funded from the Higher Fee Income.

The Financial Statements of Queen Mary include central expenditure incurred delivering the commitments outlined in the plan, as well as expenditure on specific projects within academic Faculties. Also included is an allocation for wider faculty staff time spent on supporting disadvantaged and underrepresented groups to access higher education. A significant amount of time of staff from across the University is devoted to access and participation, and not all is captured here.

As well as the investment outlined above, Queen Mary also invests significantly in the Success and Progression of all students once they have started at the University, including under-represented groups. This support is significant and wide ranging and is not captured in these figures.

Access Investment
The Access Investment outlined above incorporates work carried out by the central Widening Participation Team, including a proportion of relevant staff salaries. This includes specific projects and programmes of work to support underrepresented groups to access Higher Education, examples of which include Access to Queen Mary and QM Futures schemes.
Access spend has remained similar to 2021/2022, as we continue to deliver a full suite of activities both virtually and face-to-face in schools and colleges and on our campuses. We have continued to work with a range of organisations to increase the breadth and reach of our activities, including The Access Project, The Brilliant Club, Advancing Access, AccessHE and Realising Opportunities.

10 Analysis of total expenditure by activity (continued)

Access and Participation (continued)

Financial Support

Queen Mary University of London provides bursaries to all students whose household income, as assessed by Student Finance England, meets our published criteria. Students with an assessed household income of less than £20,000 per annum receive a bursary of £1,700 per annum and students with a household income of between £20,000 and £35,000 receive a bursary of £1,000 per annum. We review our modelling annually to predict the number of students entitled to bursaries and the budget that should be allocated to this in the Access Agreement. In 2022/23 we distributed bursaries of over £8.5m (2021/22: £8.2m) to students, which is in line with the investment target in the Access and Participation Plan. External research that we commissioned in 2019 demonstrated the value and importance of these bursaries to student participation and success.

Queen Mary also continues to provide targeted financial support to particular cohorts of students. Examples include Sanctuary Scholarships for asylum seekers totalling over £65,000 (2021/22: £63,000), and a targeted fund for Care Leavers and Estranged students totalling over £100,000 (2021/22: £61,000). In addition, we distributed just under £30,000 of Go Study Abroad bursaries, to support students from under-represented backgrounds who would otherwise have not been able to take part in overseas initiatives.

Support for Disabled Students

The support for Disabled Students includes the expenditure by the central Dyslexia and Disability Service, including the student premium. Support for disabled students has been maintained at similar levels to 2021/22 (marginally lower, due to increased investment in this area in 2021/22 and in line with 2022/23 disabled students' requirements).

Faculties and academic departments have additional direct expenditure supporting disabled students. This is not captured in these figures.

Research and Evaluation

Research and evaluation is vital to ensure all our activities deliver impact. This spend includes our ongoing subscription to HEAT (which increases our ability to track the impact of activities on participants over time), the delivery of student-led research projects to inform the development of our widening participation curriculum through, for example, in-school focus groups, and the development of University business intelligence tools to more effectively monitor widening participation cohorts at every stage of the applicant funnel and student journey. The spend includes a proportion of relevant salaries, including those of the Strategic Planning team, recognising their role in developing business intelligence tools. Research and Evaluation spend in 2022/23 has increased by 14% compared to prior year.

Staff

The investment in staff includes those staff working in the Disability and Dyslexia team, the Widening Participation team and a proportion of staff time in the Strategic Planning team. It also includes faculty staff time related to specific projects or programmes of work.

Staff from across the University spend a significant proportion of their time supporting our approach to Access and Participation for under-represented groups. This staff time is not captured in the figures above.

Notes to the Financial Statements (Continued)
for the year ended 31 July 2023

11 Taxation

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	**Institution**	Consolidated	Institution
	£'000	**£'000**	£'000	£'000
Current tax				
Current tax expense	**934**	**857**	777	777
Current tax expense	**934**	**857**	777	777
Deferred tax	**101**	**-**	153	-
Total tax expense	**1,035**	**857**	930	777

Deferred taxation

Deferred tax arises from timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise for a subsidiary and deferred tax assets are only recognised to the extent that it is probable that they will be recovered against future taxable profits by a subsidiary. The deferred tax assets and liabilities are not discounted and are netted on the Statement of Financial Position.

12 Intangible Assets

	Software	Assets in the Course of Construction	Total
	£'000	£'000	£'000
Consolidated and Institution			
Cost			
As at 1 August 2022	29,725	1,353	31,078
Additions	-	1,691	1,691
Transfers	962	(962)	-
Disposals	-	-	-
As at 31 July 2023	**30,687**	**2,082**	**32,769**
Amortisation			
As at 1 August 2022	26,325	-	26,325
Charge for the year	1,508	-	1,508
Disposals	-	-	-
As at 31 July 2023	**27,833**	**-**	**27,833**
Net book value			
As at 31 July 2023	**2,854**	**2,082**	**4,936**
As at 31 July 2022	3,400	1,353	4,753

Notes to the Financial Statements (Continued)
for the year ended 31 July 2023

13 Tangible assets

	Freehold Land and Buildings	Leasehold Land and Buildings	Plant and Machinery	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total
Consolidated	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cost or valuation						
As at 1 August 2022	581,253	71,263	35,548	121,515	33,089	842,668
Additions	-	-	-	47	57,908	57,955
Transfers	2,726	13,425	2,538	19,715	(38,404)	-
Impairment	-	-	-	-	-	-
Disposals	-	-	-	(19,057)	-	(19,057)
As at 31 July 2023	**583,979**	**84,688**	**38,086**	**122,220**	**52,593**	**881,566**
Depreciation						
As at 1 August 2022	58,257	17,942	17,290	95,128	-	188,617
Charge for the year	9,133	3,527	2,757	11,918	-	27,335
Disposals	-	-	-	(19,057)	-	(19,057)
As at 31 July 2023	**67,390**	**21,469**	**20,047**	**87,989**	**-**	**196,895**
Net book value						
As at 31 July 2023	**516,589**	**63,219**	**18,039**	**34,231**	**52,593**	**684,671**
As at 31 July 2022	522,996	53,321	18,258	26,387	33,089	654,051
Institution						
Cost or valuation						
As at 1 August 2022	573,873	71,263	30,477	117,755	33,089	826,457
Additions	-	-	-	-	57,908	57,908
Transfers	2,726	13,425	2,538	19,715	(38,404)	-
Impairment	-	-	-	-	-	-
Disposals	-	-	-	(19,057)	-	(19,057)
As at 31 July 2023	**576,599**	**84,688**	**33,015**	**118,413**	**52,593**	**865,308**
Depreciation						
As at 1 August 2022	57,075	17,943	14,587	92,376	-	181,981
Charge for the year	8,985	3,527	2,419	11,418	-	26,349
Disposals	-	-	-	(19,057)	-	(19,057)
As at 31 July 2023	**66,060**	**21,470**	**17,006**	**84,737**	**-**	**189,273**
Net book value						
As at 31 July 2023	**510,539**	**63,218**	**16,009**	**33,676**	**52,593**	**676,035**
As at 31 July 2022	516,798	53,320	15,890	25,379	33,089	644,476

13 Tangible assets (continued)

Consolidated tangible assets include the following leasehold assets:

	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Plant and Machinery £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Total £'000
Net Book Value:						
As at 31 July 2023	**-**	**63,218**	**-**	**367**	**-**	**63,585**
As at 31 July 2022	-	53,320	-	501	-	53,821

A full valuation of all Queen Mary's land and buildings was carried out at 31 July 2014 by JLL.
Freehold land and buildings at 31 July 2023 includes land with a cost of £290,373,000 (2022: £290,373,000) which is not depreciated.

Consolidated fixtures, fittings and equipment include assets

	31 July 2023 Consolidated	31 July 2022 Consolidated
	£'000	£'000
Cost	**3,002**	3,002
Accumulated depreciation	**(2,501)**	(2,367)
Charge for year	**(134)**	(134)
Net book value	**367**	501

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

14 Non-Current Investments

	Subsidiary companies £'000	Other Investments £'000	Shared Equity Property £'000	Total £'000
Consolidated				
As at 31 July 2023	-	45,036	1,000	**46,036**
Additions	-	5,144	-	**5,144**
Disposals	-	(4,761)	-	**(4,761)**
Change in fair value - managed investment portfolio	-	(531)	-	**(531)**
Movements on cash balances in portfolio	-	184	-	**184**
Change in fair value of other investments	-	248	-	**248**
As at 31 July 2023	**-**	**45,320**	**1,000**	**46,320**
Institution				
As at 31 July 2023	3,516	44,967	1,000	**49,483**
Additions	-	5,144	-	**5,144**
Disposals	-	(4,761)	-	**(4,761)**
Change in fair value - endowment investment portfolio	-	(531)	-	**(531)**
Movements on cash balances in portfolio	-	184	-	**184**
Change in fair value of other investments	-	211	-	**211**
As at 31 July 2023	**3,516**	**45,214**	**1,000**	**49,730**

Cash balances held by our investment managers are included within the total fixed asset investment portfolio above. As such the additions, disposals and other movements in the year which solely affect the fixed asset investment cash balance are not included in the cash flow statement for the year as they are non-cash movements.

Movements on cash balances in portfolio include management fees of £107,000 (2022: £297,000).

14 Non-Current Investments (continued)

	As at 31 July 2023 Consolidated	As at 31 July 2023 Institution	As at 31 July 2022 Consolidated	As at 31 July 2022 Institution
	£'000	£'000	£'000	£'000
Other non-current investments consist of :				
Listed shares				
hVIVO plc (was Open Orphan)	**691**	**599**	438	379
Actual Experience plc	**20**	**20**	60	59
Poolbeg Pharma plc	**102**	**88**	67	58
	813	**707**	565	496
Unlisted shares				
Biomoti Limited	**221**	**221**	221	221
Landr Audio Inc	**263**	**263**	263	263
Keratify Limited	**83**	**83**	83	83
Newrotex Limited	**40**	**40**	40	40
Kinomica Limited	**720**	**720**	720	720
Biophilica Limited	**50**	**50**	50	50
Amber Therapeutics Limited	**165**	**165**	165	165
DAACI Holdings Limited	**500**	**500**	500	500
CVCP Properties	**53**	**53**	53	53
	2,095	**2,095**	2,095	2,095
Managed Investment Portfolio				
Equities	**17,117**	**17,117**	17,060	17,060
Fixed interest stocks	**3,209**	**3,209**	1,959	1,959
Other investments	**21,399**	**21,399**	22,853	22,853
Cash holdings	**687**	**687**	504	504
	42,412	**42,412**	42,376	42,376
	45,320	**45,214**	45,036	44,967

Quoted investments are valued at market price at the date of the Statement of Financial Position.

15 Investments in associates

	Year ended 31 July 2023 Consolidated	Year ended 31 July 2023 Institution	Year ended 31 July 2022 Consolidated	Year ended 31 July 2022 Institution
	£'000	£'000	£'000	£'000
As at 1 August 2022	**250**	**298**	362	298
Additions	**315**	**315**	-	-
Disposals	**(298)**	**(298)**	-	-
Transfer from non-current investments	**-**	**-**	-	-
Share of profit/(loss)	**468**	**-**	(135)	-
Share of Corporation Tax	**(77)**	**-**	(2)	-
Change in reserves	**(141)**	**-**	25	-
As at 31 July 2023	**517**	**315**	250	298

Queen Mary University of London holds directly the following shares in associate companies:

	Country of Registration	Equity Holding	Proportion held	Principal Activity
Biomin Technologies Limited	England	Ordinary	17.40%	Dental materials
Chromosol Limited	England	Ordinary	33.40%	Optical amplifier technology
Degrasense Limited	England	Ordinary	47.70%	Industrial biosensors
Emdot Limited	England	Ordinary	27.60%	Inkjet printing technology
Enterika Limited	England	Ordinary	43.60%	Food supplement
Nemisindo Limited	England	Ordinary	30.00%	Sound design
Resolomics Limited	England	Ordinary	30.00%	Disease Diagnostics
Stealthyx Therapeutics Limited	England	Ordinary	43.30%	Drug delivery
Touchkeys Instruments Ltd	England	Ordinary	31.80%	Musical instruments
Ultima Forma Limited	England	Ordinary	22.50%	Novel metal manufacturing
Varydose Limited	England	Ordinary	26.70%	Pharmaceutical dispensing
Vision Semantics Limited	England	Ordinary	29.10%	CCTV analytics
Warblr Limited	England	Ordinary	33.30%	Software development
William Harvey Research Limited	England	Ordinary	40.00%	Research

Queen Mary University of London holds indirectly the following shares in associate companies:

Vision Semantics (HK) Limited	Hong Kong	Ordinary	29.10%	CCTV analytics

16 Trade and other receivables

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	**Institution**	Consolidated	Institution
	£'000	**£'000**	£'000	£'000
Amounts falling due within one year:				
Research grant receivables	**61,618**	**61,616**	46,455	46,455
Other trade receivables	**31,702**	**31,107**	33,080	32,879
Other receivables	**1,659**	**1,537**	724	670
Prepayments and accrued income	**20,454**	**20,190**	11,953	11,704
Amounts due from subsidiary companies	**-**	**6,529**	-	6,089
Amounts due from associate companies	**200**	**200**	103	103
	115,633	**121,179**	92,315	97,900
Amounts falling due after one year:				
Other receivables	**2,807**	**-**	2,908	-
	118,440	**121,179**	95,223	97,900

Amounts due from associate companies are trading balances.
Amounts due from subsidiaries include inter-company balances of £5,753,102 (2022: £6,020,648) with QMUL Malta Ltd which is repayable on demand. The remaining £775,907 (2022 £68,759) is a trading balance.

17 Current Investments

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	**Institution**	Consolidated	Institution
	£'000	**£'000**	£'000	£'000
As at 1 August 2022	**154,503**	**154,503**	84,505	84,505
Additions	**750**	**750**	-	-
Movements on deposits	**53,126**	**53,126**	69,998	69,998
As at 31 July 2023	**208,379**	**208,379**	154,503	154,503
Current investments consist of :				
Property	**750**	**750**	-	-
Bank Deposits	**207,629**	**207,629**	154,503	154,503
	208,379	**208,379**	154,503	154,503

18 Creditors: amounts falling due within one year

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	**Institution**	Consolidated	Institution
	£'000	**£'000**	£'000	£'000
Secured Loans	**944**	**-**	898	-
Unsecured loans	**1,121**	**1,121**	1,085	1,085
Obligations under finance leases	**134**	**134**	133	133
Trade payables	**26,727**	**26,665**	31,653	31,599
Social security and other taxation payable	**7,772**	**7,754**	7,136	7,105
Research grants/contracts in advance	**72,696**	**72,769**	65,648	65,648
Accruals and deferred income	**72,319**	**70,861**	70,109	68,856
Amounts owed to subsidiaries	**-**	**3,536**	-	3,740
Other creditors	**11,092**	**10,059**	11,203	10,301
	192,805	**192,899**	187,865	188,467

Amounts due to subsidiaries includes £3,126,585 (2022: £3,135,584) due to QMW Developments Ltd and £241,359 (2022: £nil) due to QMUL Paris Ltd which are repayable on demand. The remaining £167,668 (2022: £604,590) are trading balances.

Deferred income

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

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	**Institution**	Consolidated	Institution
	£'000	**£'000**	£'000	£'000
Donations	**252**	**-**	434	-
Grant income	**5,535**	**5,535**	5,767	5,767
Tuition income	**3,158**	**2,794**	6,955	6,955
Other income	**15,704**	**15,704**	14,087	14,087
	24,649	**24,033**	27,243	26,809

19 Creditors: amounts falling due after more than one year

	Note	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 Institution £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 Institution £'000
Obligations under finance leases		**179**	**179**	313	313
Secured loans		**12,345**	**-**	13,289	-
Unsecured loans and notes		**178,089**	**178,089**	194,745	194,745
Other creditors		**9,150**	**9,150**	10,556	10,556
		199,763	**187,418**	218,903	205,614

Analysis of secured and unsecured loans and notes:

	Note	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 Institution £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 Institution £'000
Due within one year or on demand	18	**2,065**	**1,121**	1,983	1,085
Due between one and two years		**2,167**	**1,171**	2,065	1,121
Due between two and five years		**7,116**	**3,795**	6,800	3,649
Due in five years or more		**181,151**	**173,123**	199,169	189,975
Due after more than one year		**190,434**	**178,089**	208,034	194,745
Total secured and unsecured loans		**192,499**	**179,210**	210,017	195,830

	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 Institution £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 Institution £'000
Unsecured loans repayable by 2042	**47,793**	**47,793**	48,878	48,878
Unsecured notes repayable by 2049	**105,000**	**105,000**	105,000	105,000
Fair value movement on unsecured notes repayable by 2049	**(28,583)**	**(28,583)**	(13,048)	(13,048)
Unsecured notes repayable by 2058	**55,000**	**55,000**	55,000	55,000
Secured loans repayable by 2034	**13,289**	**-**	14,187	-
	192,499	**179,210**	210,017	195,830

Notes to the Financial Statements (Continued)
for the year ended 31 July 2023

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

Included in loans and notes are the following:

Unsecured bank loan:

Lender	Amount £'000	Term	Interest rate	Borrower
Lloyds Bank PLC	41,586	2042	Fixed 5.01%	QMUL
Lloyds Bank PLC	6,207	2042	Variable 0.30% above SONIA rate	QMUL
	47,793			

Unsecured notes:

Lender	Amount £'000	Term	Interest rate	Borrower
Metropolitan Life Insurance Company *	42,200	2049	Fixed 2.97%	QMUL
Metropolitan Tower Life Insurance Company *	13,000	2049	Fixed 2.97%	QMUL
MetLife Insurance K.K. *	6,800	2049	Fixed 2.97%	QMUL
Brighthouse Life Insurance Company of NY *	4,500	2049	Fixed 2.97%	QMUL
Pensionskasse des Bundes Publica	8,500	2049	Fixed 2.97%	QMUL
New York Life Insurance Company *	19,000	2049	Fixed 2.97%	QMUL
New York Life Insurance & Annuity Corporation *	11,000	2049	Fixed 2.97%	QMUL
Pension Insurance Corporation Plc	55,000	2058	Fixed 3.10%	QMUL
* Fair value movement	(28,583)			
	131,417			

Secured bank loan:

Lender	Amount £'000	Term	Interest rate	Borrower
Barclays Bank PLC	13,289	2034	Fixed 5.27%	Queen Mary Bioenterprises Ltd

Total loans and notes	192,499

Queen Mary Bioenterprises Limited entered into a loan facility for £16,500,000 with Barclays Bank PLC on 15 February 2007 to fund the building of an Innovation Centre. The loan balance outstanding at 31 July 2023 is £13,289,046 (2022: £14,186,593). The loan is secured on the Innovation Centre which has a net book value at 31 July 2023 of £8,316,587 (2022: £8,959,200).

20 Pension Provisions

Consolidated and Institution	Obligation to fund deficit on USS Pension £'000	Obligation to fund deficit on SAUL Pension £'000	Defined Benefit Pension Obligation £'000	Total Pension Provisions £'000
As at 1 August 2022	164,756	-	(87)	**164,669**
Contributions paid for deficit recovery plan	(10,730)	-	(96)	**(10,826)**
Change in assumptions	(4,626)	-	-	**(4,626)**
Unwinding of discount	5,470	-	-	**5,470**
Actuarial gain	-	-	(476)	**(476)**
Net return on assets	-	-	421	**421**
As at 31 July 2023	**154,870**	**-**	**(238)**	**154,632**

USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to fund deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below and further information is provided in note 31(i).

The provision is based on the deficit recovery plan agreed following the 2020 actuarial valuation, more detail of which is given in note 31(i). The plan requires deficit payments of 6.2% of salaries from 1 April 2022 to 31 March 2024 and then payments of 6.3% of salaries from 1 April 2024 to 30 April 2038.

The major assumptions used to calculate the obligation are:

	2023	2022
Discount rate	5.51%	3.32%
Salary inflation year 1	4.00%	3.50%
Salary inflation year 2	4.00%	2.50%
Salary inflation after year 2	2.50%	2.50%
Headcount increase	1.00%-5.20%	0.00%-8.42%

Notes to the Financial Statements (Continued)
for the year ended 31 July 2023

20 Pension Provisions (continued)

Sensitivity analysis:
As set out in the accounting policies, there are some key estimates made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below:

Change in assumptions at 31 July 2023	Approximate impact £'000
1.0% pa decrease in discount rate to 4.51%	11,735
1.0% pa increase in discount rate to 6.51%	(10,578)
1.0% pa decrease in salary inflation to 3.0% / 1.5%	(10,934)
1.0% pa increase in salary inflation to 5.0% / 3.5%	11,930
1.0% increase in staff changes to 2.0% - 6.20%	11,315
1.0% decrease in staff changes to 0.0% - 4.2%	(10,389)

Defined Benefit Pension Obligation

A full actuarial valuation of the scheme was carried out at 31 July 2021 and revealed a funding shortfall of £366,000.

Under the recovery plan dated 31 October 2022 the University agreed to pay contributions with the view to eliminating the shortfall by 31 July 2028. In accordance with the Scheme’s current schedule of contributions, the University is expected to pay contributions of £38,350 increasing each year by the consumer prices index.

21 Other Provisions

Consolidated and Institution	Other Provisions £'000
As at 1 August 2022	**40**
Utilised in year	**(40)**
Additions in year	**136**
Unused amounts reversed	**-**
As at 31 July 2023	**136**

22 Endowment Reserves

Restricted net assets relating to endowments are as follows:

Consolidated	Restricted permanent endowments £'000	Unrestricted permanent endowments £'000	Expendable endowments £'000	2023 £'000	2022 £'000
As at 1 August 2022					
Capital	26,258	2,430	-	**28,688**	28,048
Accumulated income	1,923	-	12,828	**14,751**	13,283
	28,181	2,430	12,828	**43,439**	41,331
Recategorisation - capital	-	-	-	**-**	(13)
Recategorisation - accumulated income	-	-	-	**-**	13
	28,181	2,430	12,828	**43,439**	41,331
New endowments	100	-	4	**104**	1,102
Unrealised Gains/(Losses) on investments	(90)	(8)	(43)	**(141)**	1,226
Management fee applied to Capital	(69)	(6)	(32)	**(107)**	(298)
Investment income	715	62	326	**1,103**	707
Expenditure	(276)	(62)	(319)	**(657)**	(680)
Repayment of Benevolence Loans	-	-	-	**-**	51
Total endowment comprehensive income for the year	380	(14)	(64)	**302**	2,108
As at 31 July 2023	28,561	2,416	12,764	**43,741**	43,439
Represented by:					
Capital	26,199	2,416	-	**28,615**	28,688
Accumulated income	2,362	-	12,764	**15,126**	14,751
	28,561	2,416	12,764	**43,741**	43,439
Analysis by type of purpose:					
Centre for Commercial Law Studies	18,860	-	1,636	**20,496**	20,237
Lectureships	578	-	76	**654**	642
Scholarships and bursaries	5,608	-	1,846	**7,454**	7,344
Research support	710	1,915	5,899	**8,524**	8,671
Prize funds	2,365	-	25	**2,390**	2,354
General	440	501	3,282	**4,223**	4,191
	28,561	2,416	12,764	**43,741**	43,439
Analysis by asset:					
Non-current asset investments				**42,412**	42,376
Cash and cash equivalents				**1,329**	1,063
				43,741	43,439

23 Restricted Reserves

	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 Institution £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 Institution £'000
Reserves with restrictions are as follows:				
As at 1 August 2022	**3,849**	**2,747**	2,566	1,984
Transfers	**-**	**-**	-	-
	3,849	**2,747**	2,566	1,984
New grants	**2,145**	**2,013**	1,311	571
New donations	**2,389**	**1,676**	1,623	1,172
Investment income	**13**	**-**	-	-
Capital grants utilised	**(1,822)**	**(1,822)**	-	-
Expenditure	**(2,134)**	**(1,862)**	(1,651)	(980)
Total restricted comprehensive income for the year	**591**	**5**	1,283	763
As at 31 July 2023	**4,440**	**2,752**	3,849	2,747
Analysis of restricted funds by type of purpose:				
	£'000	**£'000**	£'000	£'000
Scholarships and bursaries	**1,213**	**319**	1,037	302
Research support	**625**	**470**	794	427
Other	**2,602**	**1,963**	2,018	2,018
	4,440	**2,752**	3,849	2,747

24 Cash and cash equivalents

	As at 1 August 2022 £'000	Cash flows £'000	As at 31 July 2023 £'000
Consolidated			
Cash and cash equivalents	187,005	(41,042)	145,963
Bank overdraft	-	-	-
	187,005	(41,042)	145,963
Institution			
Cash and cash equivalents	182,142	(42,021)	140,121
Bank overdraft	-	-	-
	182,142	(42,021)	140,121

25 Consolidated reconciliation of net debt

	As at 1 August 2022	Cash Flows	Other non-cash changes	Change in fair value	**As at 31 July 2023**
Analysis of net debt:	£'000	£'000	£'000	£'000	**£'000**
Cash and cash equivalents	187,005	(41,042)	-	-	**145,963**
Current investments - deposits	154,503	53,126	-	-	**207,629**
Borrowings: amounts falling due within one year					
Secured loans	(898)	898	(944)	-	**(944)**
Unsecured loans	(1,085)	1,085	(1,121)	-	**(1,121)**
Obligations under finance leases	(133)	133	(134)	-	**(134)**
	(2,116)	2,116	(2,199)	-	**(2,199)**
Borrowings: amounts falling due after more than one year					
Secured loans	(13,289)	-	944	-	**(12,345)**
Unsecured loans	(194,745)	-	1,121	15,535	**(178,089)**
Obligations under finance leases	(313)	-	134	-	**(179)**
	(208,347)	-	2,199	15,535	**(190,613)**
Net debt	131,045	14,200	-	15,535	**160,780**

26 Financial Instruments

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	**Institution**	Consolidated	Institution
	£'000	**£'000**	£'000	£'000
Financial assets				
Measured at fair value through income and expenditure				
Managed Investment Portfolio	**42,412**	**42,412**	42,376	42,376
Listed non-current investments	**813**	**707**	565	496
Measured at amortised cost				
Cash and cash equivalents	**145,963**	**140,121**	187,005	182,142
Bank deposits	**750**	**750**	154,503	154,503
Measured at undiscounted amount receivable				
Research grant receivables	**61,618**	**61,616**	46,455	46,455
Trade and other receivables	**36,168**	**32,644**	36,712	33,549
Equity instruments measured at cost less impairment				
Shares not listed	**2,095**	**2,095**	2,095	2,095
Investments in Associates	**517**	**315**	250	298
	290,336	**280,660**	469,961	461,914
Financial liabilities				
Measured at fair value through income and expenditure				
Unsecured notes	**67,917**	**67,917**	83,452	83,452
Debt instruments measured at amortised cost				
Unsecured notes	**63,500**	**63,500**	63,500	63,500
Loans	**61,082**	**47,793**	63,065	48,878
Finance Leases	**313**	**313**	446	446
Measured at undiscounted amount payable				
Trade and other payables	**26,727**	**26,665**	31,653	31,599
	219,539	**206,188**	242,116	227,875

27 Capital and other commitments

Provision has not been made for the following capital commitments:

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	**Institution**	Consolidated	Institution
	£'000	**£'000**	£'000	£'000
Commitments contracted for	**15,099**	**15,099**	17,302	17,302

Commitments contracted for above includes commitments for intangible assets and tangible assets.

28 Contingent liabilities

Queen Mary University of London 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 2023 the value of the loan balance stood at £13,289,046 (2022: £14,186,593). The University'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.

29 Lease obligations

Consolidated and Institution

Total rentals payable under operating leases:

	As at 31 July 2023			As at 31 July 2022
Consolidated and Institution	**Land and Buildings**	**Plant and Machinery**	**Total**	Total
	£'000	**£'000**	**£'000**	£'000
Payable during the year	8,865	563	**9,428**	9,085
Future minimum lease payments due:				
Not later than 1 year	9,265	447	**9,712**	8,543
Later than 1 year and not later than 5 years	34,394	4	**34,398**	31,988
Later than 5 years	85,799	-	**85,799**	80,782
Total lease payments due	129,458	451	**129,909**	121,313

30 Subsidiary undertakings

	Country of Registration	Equity Holding	Proportion held	Principal Activity
Queen Mary University of London holds directly the following shares in subsidiary companies:				
People's Palace Projects	England	Limited by guarantee	100%	Participatory arts charity
Queen Mary Innovation Limited	England	Ordinary	100%	Holding Company
Queen Mary Innovation Limited	England	Preference	100%	Holding Company
Queen Mary University of London Holdings Limited	Malta	Ordinary	100%	Holding Company
Queen Mary University of London Holdings Limited holds directly the following shares in subsidiary companies:				
Queen Mary University of London - Malta Limited	Malta	Ordinary	100%	Provision of education
Queen Mary Innovation Limited holds directly the following shares in subsidiary companies:				
Nanoforce Technology Limited	England	Ordinary	100%	Micro and nanotechnology facility
Q.M.W. Developments Limited	England	Ordinary	100%	Property development
Queen Mary Bioenterprises Limited	England	Ordinary	100%	Developing Innovation Centre
Queen Mary Research and Consulting (Hong Kong) Limited	Hong Kong	Ordinary	100%	Supporting University activities
Queen Mary Research and Consulting (Hong Kong) Limited holds directly the following shares in subsidiary companies:				
Mary Education Management Advisory (Beijing) Co. Limited	China	Ordinary	100%	Supporting University activities

Whilst the University 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 the University. Queen Mary University of London Foundation is registered in England.

Queen Mary University of London (Paris) is registered as a non-profit Association in France with the purpose of provision of education. There is no equity holding but the University exercises full control through the membership arrangements, as such it is treated as a subsidiary in the consolidated financial statements.

31 Pension Schemes

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

The contribution rates to the schemes are shown below:

	USS	SAUL	NHS
	At 31 July 2023		
	%	%	%
Employees' contributions - career revalued benefits scheme	9.8	6.0	5.1 - 13.5*
Employer's contributions	21.6	21.0	20.6
	At 31 July 2022		
	USS	**SAUL**	**NHS**
	%	%	%
Employees' contributions - career revalued benefits scheme	9.8	6.0	5 - 14.5*
Employer's contributions	21.6	19.0	20.6

* tiered contribution rates depending on salary

	31 July 2023		31 July 2022	
	Consolidated	**Institution**	Consolidated	Institution
Employer Pension Contributions	**£'000**	**£'000**	£'000	£'000
Contribution to USS	37,383	37,219	32,845	32,686
Contribution to SAUL	6,890	6,889	5,180	5,180
Contribution to NHS	3,422	3,429	3,232	3,215
Contribution to other pension schemes	5	0	4	0
	47,700	47,537	41,261	41,081

	31 July 2023		31 July 2022	
	Consolidated	**Institution**	Consolidated	Institution
Statement of comprehensive income	**£'000**	**£'000**	£'000	£'000
- net pension cost in year				
USS	27,497	27,333	128,687	128,528
SAUL	6,890	6,889	5,180	5,180
NHS	3,422	3,429	3,232	3,215
LHMC	(55)	(55)	(124)	(124)
Other	5	-	4	-
	37,759	**37,596**	**136,979**	**136,799**

The net pension cost in the year consists of the employer pension contributions and the movement in pension provision.

Other comprehensive income - actuarial (gain) loss in respect of pension schemes				
LHMC	(476)	(476)	(527)	(527)
Statement of Financial Position - Pension scheme liability (note 20)				
USS	154,870	154,870	164,756	164,756
LHMC	(238)	(238)	(87)	(87)
	154,632	**154,632**	**164,669**	**164,669**

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31 Pension Schemes (continued)

(i) USS

Queen Mary participates in the Universities Superannuation Scheme (USS) which is the main scheme covering most academic and academic-related staff. The Scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund.

USS is a multi-employer scheme and is accounted for as set out in the accounting policies.

The total net cost charged to the Consolidated Statement of Comprehensive Income and Expenditure is £27,497,000 (2022: £128,687,000) including the movement on the deficit recovery provision of £9,885,637 credit (2022: £95,841,619 charge).

Deficit recovery contributions due within one year for the university are £11,878,765 (2022: £10,616,509).

At 31 July 2023, the latest available complete actuarial valuation of the USS Retirement Income Builder is as at 31 March 2020 (the valuation date), and was carried out using the projected unit method.

Since the Institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2020 valuation was the sixth valuation for the scheme under the scheme specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

CPI Assumption:
Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.1% p.a. to a long-term difference of 0.1% p.a. from 2040

Pension increases (subject to a floor of 0%):
CPI assumption plus 0.05%

Discount rate (forward rates):
Fixed interest gilt yield curve plus 2.75% p.a. (Pre-retirement) and 1.00% p.a. (Post retirement)

The main demographic assumption used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in the figures are as follows:

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

31 Pension Schemes (continued)

(i) USS (continued)

The current life expectancies on retirement at age 65 are:

	2023	2022
Males currently aged 65 years	24.0	23.9
Females currently aged 65 years	25.6	25.5
Males currently aged 45 years	26.0	25.9
Females currently aged 45 years	27.4	27.3

A deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2023 deficit recovery liability reflects this plan.

The liability figures have been produced using the following assumptions:

	2023	2022
Discount rate	5.51%	3.32%
Salary inflation year 1	4.00%	3.50%
Salary inflation year 2	4.00%	2.50%
Salary inflation after year 2	2.50%	2.50%
Headcount increase	1.00%-5.20%	0.00%-8.42%

The sensitivity of the principal assumptions used to measure the USS deficit provision are set out in Note 20.

The employers' contribution rates are as follows:

Effective date	**Rate %**
1 October 2019 to 30 September 2021	21.10
1 October 2021 to 31 March 2022	21.40
1 April 2022 to 31 March 2024	21.60
1 April 2024 to 30 April 2038	21.40

(ii) SAUL

The University participates in the Superannuation Arrangements of the University of London (SAUL), which is a centralised defined benefit scheme within the United Kingdom and was contracted-out of the Second State Pension (prior to April 2016).

SAUL is an independently managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education.

Pension benefits accrued within SAUL currently build up on a Career Average Revalued Earnings ("CARE") basis.

The University is not expected to be liable to SAUL for any other current participating employer's obligations under the rules of SAUL, but in the event of an insolvency of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

31 Pension Schemes (continued)

(ii) SAUL (continued)

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due (the "Technical Provisions"). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members' accrued pension rights to be met.

The Technical Provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2020. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed by the Trustee and employers in June 2021 and are due to be reviewed at SAUL's next formal valuation in 2023.

At the 31 March 2020 valuation SAUL was 94% funded on its Technical Provisions basis. However, market movements following the valuation date were positive and the Trustee and the Employers agreed to allow for post-valuation experience up to 30 April 2021. As SAUL was in surplus on its technical provisions basis at that date, no deficit contributions were required. However, the Trustees and the Employers agreed that the ongoing Employers' contributions would increase from a rate of 16% of CARE salaries to a rate of 19% of CARE salaries from 1 April 2022 and to 21% of CARE salaries from 1 January 2023.

The University is a participating employer in SAUL. The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL's assets at 31 March 2020 was £3,612 million representing 94% of the liabilities.The market value of SAUL's assets at 30 April 2021 was £4,369 million representing 109% of the estimated liabilities.

It is not possible to identify an individual employer's share of the underlying assets and liabilities of SAUL. QMUL accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 28.11 of FRS 102.

Although there was a Technical Provisions deficit at 31 March 2020, allowing for post valuation experience to 30 April 2021, SAUL had a TechnicalProvisions surplus. Therefore, no deficit contributions were required following the 2020 valuation and there is no defined benefit liability (i.e. the present value of any deficit contributions due to SAUL) to be recognised by Queen Mary.

31 Pension Schemes (continued)

(iii) NHS Pension Scheme

The University participates in the NHS Pension Scheme (NHSPS) which is contracted out of the State Second Pension (S2P). The notional assets of NHSPS are assessed by the Government Actuary and the benefits are underwritten by the Government.

The NHS Pension Scheme is a defined benefit public service pension scheme, which operates on a pay-as-you-go basis. A new reformed scheme was introduced on 1 April 2015 that calculates pension benefits based on career average earnings. Transitional arrangements permitted individuals who on 1 April 2012 were within ten years of normal pension age to continue participating in the old 'final salary' NHS Pension Scheme arrangements (the 1995 and 2008 sections). All active members moved to the 2015 CARE scheme on 1 April 2022.

The employer contribution rate for the period 1 April 2019 to 31 March 2024 is 20.6 per cent of pensionable pay. The employer contribution rate is set through a process known as the scheme valuation. A scheme valuation is carried out every four years and it measures the full cost of paying pension benefits (to current pensioners). The most recent 2016 scheme valuation identified the need to increase the employer contribution from 14.3 per cent to 20.6 per cent from 1 April 2019. The 2020 valuation will conclude in Autumn 2023 and will determine the employer contribution rate for four years from 10 April 2024.

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.

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

The University 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 the University, 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. A full actuarial valuation of the scheme was carried out at 31 July 2021 and revealed a funding shortfall of £366,000. Under the recovery plan dated 31 October 2022 the University has agreed to pay contributions with the view to eliminating the shortfall by 31 July 2028. In accordance with the Scheme's current schedule of contributions dated 31 October 2022, £38,350 is payable annually on each 1 August, increasing each year by the increase in the Consumer Prices Index with the first increase and payment due on 1 August 2023. Additionally, the University meets the ongoing running expenses of the scheme together with any PPF levies.

The movement in the Surplus / (Deficit) in the year was:	**Value at 31 July 2023 £000**	Value at 31 July 2022 £000
Surplus /(Deficit) in scheme at 1 August	87	(74)
Contribution by employer	96	37
Current service cost	5	(1)
Return on assets excluding interest income	(426)	(402)
Actuarial gain / (loss)	476	527
Surplus / (Deficit) in scheme at 31 July	238	87

Queen Mary has recognised the surplus at 31 July 2023 in full on the basis that it can recover the surplus through refunds from the Scheme.

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 St Bartholomew's Hospital section are fixed at 3% per annum. £55,000 has been credited to the Consolidated Statement of Income and Expenditure account in the year (2022: £124,000 credit).

(v) Defined contribution scheme

One of QMUL's subsidiaries offered a defined contribution scheme to its staff. The cost for the year was £5,336 (2022: £4,364).

32 Related Party Disclosures

Transactions between Queen Mary 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 the University's operations and the composition of the Council and Senior Executive (being drawn from public and private sector organisations), it is inevitable that transactions will take place with organisations in which a member of Council or the Senior Executive will have an interest. All such transactions are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures.

Name	Position at Queen Mary	Description of Appointment	Related Party	Income £'000	Expenditure £'000	Debtor £'000	Creditor £'000
Mr Adi Sawalha	The President of the Students' Union 2022-23	Director	QMSU Services Ltd	109	215	325	-
Ms Serena-Amani Al Jabbar	The President of the Students' Union 2023-24	Director					
Mr Adi Sawalha	The President of the Students' Union 2021-22	Chair of Trustees	Queen Mary Students' Union	37	2,801	328	24
Ms Serena-Amani Al Jabbar	The President of the Students' Union 2023-24	Chair of Trustees					
Prof Colin Bailey	Principal	Director	The Russell Group of Universities	-	87	-	-
Prof Colin Bailey	Principal	Director	UCL Partners	30	300	-	-
Prof Colin Bailey	Principal	Board Member	Universities UK	-	56	-	-
Prof Colin Bailey	Principal	Trustee	UCAS	-	200	-	-
Prof Colin Bailey	Principal	Director and Board Member	UCEA	-	30	-	-
Prof Colin Bailey	Principal	Trustee and Board Member	University of London	642	1,903	288	-
Ken Batty	Member of Council	Non-Executive Director	East London NHS Foundation Trust	462	221	263	-
Prof Sir Mark Caulfield	Vice Principal	Non-Executive Director	Barts Health NHS Trust	15,197	3,650	5,540	102
Prof Sir Mark Caulfield	Vice Principal	Trustee	William Harvey Research Foundation	1	-	-	-

32 Related Party Disclosures (continued)

Name	Position at Queen Mary	Description of Appointment	Related Party	Income £'000	Expenditure £'000	Debtor £'000	Creditor £'000
Prof Sir Mark Caulfield	Vice Principal	Non-Executive Director	Barking, Havering & Redbridge University Hospitals NHS	26	399	-	-
Prof Sir Mark Caulfield	Vice Principal	Trustee and President Elect	British Pharmacological Society	10	-	-	-
Lord Clement-Jones CBE	Chairman	Board Member Corporate Finance Faculty of the Institute of Chartered Accountants in England and Wales	ICAEW	11	-	-	-
Dr Sharon Ellis	Chief Operations Officer	Governor	Homerton NHS Foundation Trust	192	209	35	-
Patricia Gallan	Member of Council	Non-Executive Director	Chelsea and Westminster Hospitals NHS Foundation Trust	-	25	-	-
Celia Gough	Member of Council	Director	Veolia Group Companies	-	35	-	-
Isabelle Jenkins	Member of Council	Partner	PwC LLP	-	380	-	-
Ms Karen Willcox	Co-opted member of Remuneration Committee	Director					
Dr Philippa Lloyd	Vice Principal	Trustee	LHMC pension scheme	476	421	-	-
Dr Alix Pryde	Member of Council	Trustee	Institute of Physics	-	4	-	-

33 Supplementary Schedule for the United States Department of Education

In satisfaction of its obligations to facilitate students' access to US federal financial aid, Queen Mary is required, by the US Department of Education, to present the following Supplemental Schedule in a prescribed format. The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets;
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition);
- presented in thousand pounds sterling

The schedules set out how each amount disclosed has been extracted from the financial statements. Lines with a nil value have been excluded. As set out above, the accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of accounting principles generally accepted in the United States of America.

		Year ended 31 July 2023 £'000	**Year ended 31 July 2023 £'000**	Year ended 31 July 2022 £'000	Year ended 31 July 2022 £'000
Expendable Net Assets					
Net Assets without donor restrictions	Statement of Financial Position - Net assets without donor restrictions		**614,509**		523,402
Net Assets with donor restrictions	Statement of Financial Position - Net assets with donor restrictions		**48,181**		47,288
Secured and Unsecured related party receivable	Statement of Financial Position - Related party receivable and Related party note disclosure	**6,778**		4,569	
Unsecured related party receivable	Statement of Financial Position - Related party receivable and Related party note disclosure		**6,778**		4,569
Property, plant and equipment, net (includes Construction in progress)	Statement of Financial Position - Property, Plant and equipment, net	**684,304**		653,550	
Property, plant and equipment - pre-implementation	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - pre-implementation		**490,266**		505,011
Property, plant and equipment - post-implementation without outstanding debt for original purchase	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation without outstanding debt for original purchase		**141,445**		115,450
Construction in progress	Note of the Financial Statements - Statement of Financial Position - Construction in progress		**52,593**		33,089
Lease right-of-use asset, net	Statement of Financial Position - Lease right-of-use assets, net	**367**		501	
Lease right-of-use asset post-implementation	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset post-implementation		**367**		501
Intangible assets	Statement of Financial Position - Goodwill (and other intangibles)		**4,936**		4,753
Post-employment and pension liabilities	Statement of Financial Position - Post-employment and pension liabilities		**154,632**		164,669

33 Supplementary Schedule for the United States Department of Education (continued)

		Year ended 31 July 2023	**Year ended 31 July 2023**	Year ended 31 July 2022	Year ended 31 July 2022
		£'000	**£'000**	£'000	£'000
Expendable Net Assets (continued)					
Long-term debt - for long term purposes	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	**192,499**		210,017	
Long-term debt - for long term purposes pre-implementation	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process		**192,499**		210,017
Lease right-of-use asset liability	Statement of Financial Position - Lease right-of-use asset liability	**313**		446	
Post-implementation right-of-use leases	Statement of Financial Position - Lease right-of-use asset liability post-implementation		**313**		446
Net assets with donor restrictions: restricted in perpetuity	Statement of Financial Position - Perpetual Funds		**48,181**		30,611
Total Expenses and Losses					
Total expenses without donor restrictions - taken directly from Statement of Activities	Statement of Activites - Total Operating Expenses (Total from Statement of Activities prior to adjustments)		**603,306**		630,955
Non-Operating and Net Investment (loss)	Statement of Activites - Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) - (Total from Statement of Activities prior to adjustments)		**(30,294)**		(41,956)
Net investment losses	Statement of Activites - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)		**(14,224)**		(2,010)
Modified Net Assets					
Net assets without donor restrictions	Statement of Financial Position - Net assets without donor restrictions		**614,509**		523,402
Net assets with donor restrictions	Statement of Financial Position - total Net assets with donor restrictions		**48,181**		47,288
Intangible assets	Statement of Financial Position - Goodwill (and other intangibles)		**4,936**		-

Notes to the Financial Statements (Continued)
for the year ended 31 July 2023

33 Supplementary Schedule for the United States Department of Education (continued)

		Year ended 31 July 2023	**Year ended 31 July 2023**	Year ended 31 July 2022	Year ended 31 July 2022
		£'000	**£'000**	£'000	£'000
Modified Net Assets (continued)					
Secured and Unsecured related party receivable	Statement of Financial Position - Related party receivable and Related party note disclosure	**6,778**		4,569	
Unsecured related party receivable	Statement of Financial Position - Related party receivable and Related party note disclosure		**6,778**		4,569
Modified Assets					
Total assets	Statement of Financial Position - Total Assets		**1,210,026**		1,142,167
Intangible assets	Statement of Financial Position - Goodwill (and other intangibles)		**4,936**		-
Secured and Unsecured related party receivable	Statement of Financial Position - Related party receivable and Related party note disclosure	**6,778**		4,569	
Unsecured related party receivable	Statement of Financial Position - Related party receivable and Related party note disclosure		**6,778**		4,569
Net Income Ratio					
Change in Net Assets Without Donor Restrictions	Statement of Activities - Change in Net Assets Without Donor Restrictions		**91,107**		39,040
Total Revenue and Gains	Statement of Activities - (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)		**666,047**		632,360

33 Supplementary Schedule for the United States Department of Education (continued)

Primary Reserve Ratio:		Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Expendable Net Assets			
Net Assets without donor restrictions	Statement of Financial Position - Unrestricted Income and Expenditure reserve	**614,509**	523,402
Net Assets with donor restrictions	Note 22 (Endowment Reserves) and Note 23 (Restricted Reserves)	**48,181**	47,288
Restricted in perpetuity	Note 22 (Endowment Reserves) and Note 23 (Restricted Reserves)	**(48,181)**	(30,611)
Other intangible assets	Note 12 (Intangible assets)	**(4,936)**	(4,753)
Property, Plant and Equipment	Note 13 (Tangible Assets) NBV at 31 July less the lease right-of-use assets below	**(684,304)**	(653,550)
Lease right-of-use assets	Note 13 (Tangible Assets)	**(367)**	(501)
Post employment pension liability	Note 20 (Pension Provisions)	**154,632**	164,669
Line of credit for long term purposes	Note 19 (Creditors: amounts falling due after more than one year)	**192,499**	210,017
Lease right-of-use asset liability	Note 18 (Creditors: amounts falling due within one year) and Note 19 (Creditors: amounts falling due after more than one year)	**313**	446
Related party receivable	Note 32 (Related Party Disclosures)	**(6,778)**	(4,569)
		265,568	251,838
Total Expenses and Losses Without Donor Restrictions			
Total Operating Expenses	Note 10 (Analysis of total expenditure by activity)	**603,306**	630,955
Other components of net periodic pension costs	Consolidated Statement of Comprehensive Income and Expenditure - Actuarial losses in respect of pension schemes	**(476)**	(527)
Investments, net of annual spending, gain /loss	(Gain)/ loss on investments	**(452)**	158
Other gains /losses	Fair value movement in unsecured notes and Note 15 (Investment in Associates)	**(15,593)**	(39,418)
		586,785	591,168

Notes to the Financial Statements (Continued)
for the year ended 31 July 2023

33 Supplementary Schedule for the United States Department of Education (continued)

Equity Ratio:			
Modified Net Assets			
Net assets without donor restrictions	Statement of Financial Position - Unrestricted Income and Expenditure reserve	**614,509**	523,402
Total Net Assets with Donor Restrictions	Note 22 (Endowment Reserves) and Note 23 (Restricted Reserves)	**48,181**	47,288
Goodwill (and other Intangibles)	Note 12 (Intangible Assets)	**(4,936)**	-
Related party receivable	Note 32 (Related Party Disclosures)	**(6,778)**	(4,569)
		650,976	566,121
Modified Assets			
Total assets	Statement of Financial Position - Current and Non-current Assets	**1,210,026**	1,142,167
Goodwill (and other intangibles)	Note 12 (Intangible Assets)	**(4,936)**	-
Related party receivable	Note 32 (Related Party Disclosures)	**(6,778)**	(4,569)
		1,198,312	1,137,598
Net Income Ratio:			
Change in Net Assets Without Donor Restrictions			
Change in Net Assets Without Donor Restrictions	Consolidated Statement of Comprehensive Income and Expenditure - Unrestricted comprehensive income and expenditure for the year	**91,107**	39,040
		91,107	39,040
Total Revenues and Gains Without Donor Restrictions			
Total Operating Revenue and Other Additions	Consolidated Statement of Comprehensive Income and Expenditure - Total Income	**679,819**	634,528
Investment return appropriated for spending	Note 5 (Investment income)	**(13,772)**	(2,168)
Sale of fixed assets, gains (losses)	Consolidated Statement of Comprehensive Income and Expenditure - Loss on disposal of tangible assets	**-**	-
		666,047	632,360

Council and Audit and Risk Committee Membership

The members of Council and the members of Audit and Risk Committee who served in the financial year, or up to the date of signing of this report.

COUNCIL MEMBERSHIP

Chair	Lord Clement-Jones CBE	
Treasurer	Ms Isabelle Jenkins	
Vice-Chair	Ms Melissa Tatton CBE	
Ex Officio Members		
The President and Principal	Professor Colin Bailey	
The President of the Students' Union 2022/23	Mr Adi Sawalha (tenure 01/08/22 to 31/07/23)	
The President of the Students' Union 2023/24	Ms Serena-Amani Al Jabbar (tenure 01/08/23 to 31/07/24)	
		Tenure ends
Nominees of the President and Principal		
Vice-Principal, International	Professor Colin Grant	09/04/23
Vice-Principal, Policy and Strategic Partnerships	Dr Philippa Lloyd	09/04/23
Elected Members [Staff]		
Professor Alison Blunt		30/09/22
Professor Kavita Datta (from 30/09/21 to 06/07/2023)		30/09/25
Martin Donkin (from 30/04/2022 to 06/07/2023)		30/04/26
Professor Mangala Patel		30/09/25
Professor Yang Hao		30/09/25
Professor Anthony Phillips (from 25/09/2023)		25/09/27
Dr Natalie McCloskey (from 25/09/2023)		25/09/27
External Members		
Mr Gil Baldwin		01/03/26
Mr Ken Batty		10/01/26
Lord Clement-Jones CBE		30/04/25
Ms Patricia Gallan (from 01/01/2023)		01/01/27
Ms Celia Gough		01/09/24
Ms Stella Hall		06/07/23
Mr Indy Hothi (from 01/01/2023)		01/01/27
Ms Isabelle Jenkins		07/01/26
Ms Maryanne Matthews		10/01/26
Dr Alix Pryde		31/12/23
Ms Melissa Tatton CBE		31/12/23
Mr Peter Thompson		29/11/25

AUDIT AND RISK COMMITTEE MEMBERSHIP

Chairman [an external member of Council]

Mr Peter Thompson

Up to four other external members of Council	**Up to two co-opted members**
Dr Alix Pryde (to 09/11/2023)	Ms Simona Fionda
Ms Patricia Gallan (from 13/03/2023)	Mr James Hedges
Ms Celia Gough	
Mr Indy Hothi (from 13/03/2023)	

Senior Executive Team Membership

The members of the Senior Executive who served in the financial year, or up to the date of signing of this report.

Chair

President and Principal	Professor Colin Bailey
Other Members	
Vice-Principal and Executive Dean (Science and Engineering)	Professor Wen Wang
Vice-Principal and Executive Dean (Humanities and Social Sciences)	Professor Matthew Hilton (resigned 31/08/22)
Vice-Principal and Executive Dean (Humanities and Social Sciences)	Professor Frances Bowen (appointed 01/09/22)
Vice-Principal (Education)	Professor Stephanie Marshall
Vice-Principal (International)	Professor Colin Grant (resigned 25/06/23)
Vice-Principal (Research and Innovation)	Professor Andrew Livingston
Vice-Principal and Executive Dean (Health)	Professor Sir Mark Caulfield
Vice-Principal (Policy and Strategic Partnerships)	Dr Philippa Lloyd
Chief Governance Officer and University Secretary	Mr Jonathan Morgan
Chief Financial Officer	Ms Karen Kroger
Chief Operations Officer	Dr Sharon Ellis

Queen Mary
University of London

Queen Mary is a company incorporated
by Royal Charter registered in England. Its
registered address is:
Queen Mary University of London
Mile End Road
London E1 4NS

@qmul
@qmul
officialqmul

qmul.ac.uk