



Queen Mary
University of London



Queen Mary University
of London
Financial Statements
2021/22

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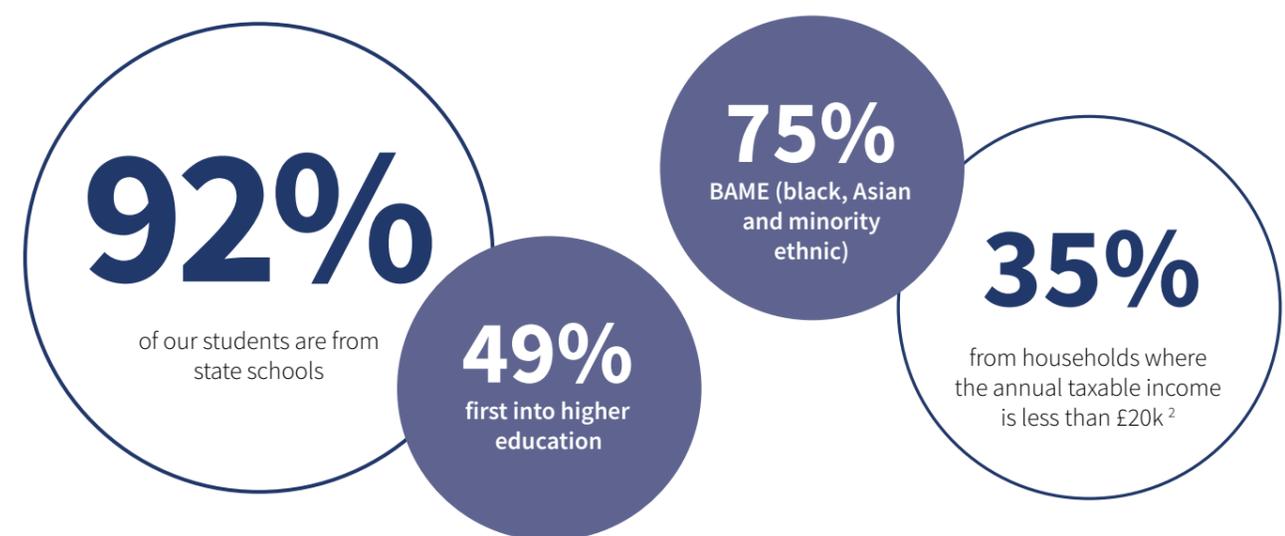
Queen Mary at a glance

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, 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.



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



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

² Data taken from Student Loans Company assessment information

Statement from the Chair of Council

The academic year has a unique rhythm to it: from the nervous excitement of new students and returning students starting in September, to the festive celebrations of December and the New Year, followed by the quiet buzz of a campus in the January exam season, and the gradual crescendo as the days grow longer in Spring, when libraries and social spaces fill as we drive through into Summer exams and then Graduation.

What gives our special institution its unique ebb and flow, though, are the events which bring our communities of staff, students (past, present, and future), supporters and friends together. What has truly marked this year out as special is precisely those occasions. – I was especially pleased to attend these moments and witness for myself our community coming together in person once more (after two years of varying Covid restrictions) to celebrate Queen Mary, and the achievements of our community.

In January, we welcomed more than 20,000 people to Tobacco Dock, for our first graduation ceremony in two years. We came together with our local community in June for the Festival of Communities – the 8,000 people who joined us came close to topping the number of attendees for our previous four Festivals combined. The next weekend saw over 10,000 people from around the world attend our campuses for our Undergraduate Open Day – a figure which again established a new record for Queen Mary.

These events – rediscovering the importance of interacting with our community, and meeting many people that we do not interact with on a day-to-day basis – punctuated the year, and created the kind of experiences and memories that make life at our University so special.

These events are not merely ‘nice to have’, but they are built on solid foundations across our core activities, reinforced through the pandemic. Throughout this time the Senior Executive Team displayed courage and agility, decreasing the pace of some elements of our Strategy 2030, while prioritising others. Our Strategy provided hope, and a guiding hand throughout a period of exceptional volatility, and we have emerged strong, demonstrated by the sheer number of people who want to be part of life at Queen Mary, and sample what it is that makes us so special.

We are delighted to present another strong set of financial results here. Underlying cash generation³ (a Strategy 2030 KPI) increased to £117.6m, against an overall turnover of £634.5m. We recruited a record number of students in 2021, demonstrating the enduring popularity and value of a Queen Mary education.

Robust financial health is, however, only the engine that drives activity, not an end in itself. Across all areas of Strategy 2030, our outstanding community of staff continue to demonstrate Queen Mary’s defining qualities: combining world-leading research and education with an objectively outstanding record in promoting social justice. These defining qualities are what we are known for and we are further enhancing this reputation across the globe. Between November 2021 and May 2022, Queen Mary was ranked seventh in the country for the quality of our research⁴, we became the first University to be given a Platinum Watermark for our public engagement work, and were named as the number one University in the country for social mobility.

Here we see the vision and aspirations of our founders - to open the doors of opportunity - being delivered through world-class, cutting-edge research.

The landscape is not without challenge, however. The University has felt the impact of a high inflation environment through our cost-base, and we are acutely aware of how damaging the cost of living crisis will be for our staff and students. We are working hard to ensure we have the necessary measures in place to support both staff and students, and we will continue to monitor closely our cost-base and capital plans to ensure we can respond with strength and agility to the expected financial headwinds.

Industrial relations have once again continued to be challenging to the collegiality of our environment and, most importantly, causing some disruption to students in a limited number of affected areas. This is the fourth time in five years that we have faced sector-wide industrial action, and as a governing Council we have supported the approach of the Executive, which is to prioritise protecting the student experience in those areas that are affected.

Overall, however, despite ongoing external turbulence, my over-riding feeling as Chair of Council is one of pride: it is an honour and a privilege to be part of such a special University. We are built on firm foundations at the heart of which are our core values. We will continue to furrow a distinctive path in the sector and in society: we are a truly global University that wears its local history proudly.

³ See page 21 for definition of underlying cash generation

⁴ <https://www.timeshighereducation.com/news/ref-2021-outputs-scores>

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 & 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

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 engagement.

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. As part of our efforts to communicate this part of our work, this year we launched an interactive heatmap on our website that helps demonstrate the reach of our impact.

In relation to the benefit we seek to bring to our local community, a particular focus this year has been formalising and significantly increasing the scope of our civic and community engagement. We crystallised this in our Civic University Agreement (CUA), which was launched this 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.

Expenditure from Queen Mary students supports an estimated 1,850 jobs in London and 2,570 nationally, with an additional two jobs supported in the UK for every person directly employed by the University. 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.⁵

In developing our Civic University Agreement, we worked with over 300 members of our East London community, engaging with local families, third sector organisations, local residents, partners and our own staff and students.

The Civic University Agreement was launched at a high-profile event in May 2022. The event brought together 150 members of the local community, local youth groups, charities, policy makers and community organisations. Hosted at our Mile End Campus, the event featured dance performances, spoken word performances and speeches from prominent members of the community.

Our challenge was to answer two key questions: what future role should we play within society?; and how should we achieve that? Our Civic University Agreement is an answer to those questions, bringing together existing and new work with our local communities around five themes: inclusive place-making; a healthy and sustainable future; pathways for life; a cultural hub for East London; and enabling civic practice.

In December 2021 Queen Mary became the first University to be awarded a Platinum-level Engage Watermark to recognise our sector-leading sustained support for engaging the public in our core academic mission⁶. The Award was made by the National Coordinating Centre for Public Engagement (NCCPE) following a robust assessment involving interviews with staff and students from across the University, and a number of external stakeholders.

The themes in the CUA cut across all areas of our activity, and we have exciting plans to evolve our civic work further, through flagship initiatives such as the London City Institute of Technology, in collaboration with Newham College, which will provide higher technical education and apprenticeships for local people, upskilling and reskilling people in science, engineering and digital skills.

⁵ From the report "Local Economic and Social Impact Study" prepared for Queen Mary University of London by Hatch in 2021.

⁶ <https://www.publicengagement.ac.uk/nccpe-projects-and-services/engage-watermark/award-levels>

Queen Mary 2030 Strategy (continued)

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 - the first for three years - was the biggest ever, with more than 8,000 members of the local community participating in activities ranging from hands-on experiments, spoken word performances, and live demonstrations.

Creating value for students and society through education

We aim to create a truly inclusive community in which students from all backgrounds can flourish, reach their full potential and go on to make a meaningful and fulfilling contribution to society and the economy.

We are proud to be the most inclusive Russell Group University, and are uniquely placed to address long-standing embedded issues of inequality in society, in part thanks to a student intake which is unique among Russell Group institutions. Of our London undergraduate students, more than 92% are from state schools, 75% are BAME, and 49% are the first in their families to attend higher education.

Queen Mary was recognised as the most inclusive Russell Group University by the Times and Sunday Times Good University Guide 2021 (published in September 2020), with the authors noting that "Queen Mary continues to prove that social inclusion and academic success are not mutually exclusive".

We open the doors of opportunity to students coming through our doors, and this year we worked with our students to set out our ambition to 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". Our Education Approach, Active Curriculum for Excellence (ACE), builds on existing excellence across our disciplines, advancing the ambitions of our founders and aiming to deliver Strategy 2030.

The unique Queen Mary Approach to Education: Opening the doors of opportunity contains four pillars of excellence in education and student experience, which underpin all programmes at Queen Mary University of London: Excellence in Education; Excellence in Student Engagement; Excellence in Learning Environment; Excellence in Student Employability. The ACE Approach also sets out five Interrelated Components, which bring the Education Approach to life.

The approach was launched in March 2022, and will underpin our approach to curriculum development for the coming academic year, as we build on lessons learned during the pandemic, which include making better use of cutting-edge technology and continuing the investment in mixed-mode education.

The past academic year has seen a number of Queen Mary staff be recognised for their work in delivering excellence in education. Staff have won external awards and prizes for innovative practice in areas ranging from virtual exchanges to mixed reality teaching. For example, the Queen Mary Legal Advice Centre which has previously been awarded a Collaborative Award for Teaching Excellence (CATE), was awarded first place in the 2022 MacJannet Prize, which recognises exceptional student community engagement initiatives at universities around the world.

The transformational impact that our education has on the lives of our students was evidenced in November 2021, when a new report by the Institute for Fiscal Studies in partnership with the Sutton Trust and Department for Education ranked Queen Mary as the top University in the country for social mobility.

The IFS, Sutton Trust and Department for Education Report looked at the proportion of students from low-income backgrounds, and whether those students had moved up to the top of the income ladder by age 30, thereby giving each university a "mobility rate". Queen Mary's mobility rate was the highest of any University, coming in at 6.8%, compared to the average across all Universities of 1.3%.

Creating value for partners and society through research

We aim to generate new knowledge, challenge existing knowledge, and engage locally, nationally and internationally to create a better world.

The results of the REF 2021 exercise, released in May 2022, confirmed Queen Mary's position as an international research powerhouse, with Queen Mary ranked joint 7th for the quality of our research (based on research outputs), with 92% of our research ranked as either internationally excellent or world-leading. This was an overwhelmingly positive outcome for the University, particularly considering that we returned 100% of eligible staff, compared to only 74% in the previous REF exercise.

More than the quality of our research, however, the impact case studies demonstrate our values and mission of social justice cut across all our activities, with our research addressing not just the grand challenges facing society, but promoting social justice and helping some of the most marginalised communities:

- 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. To support Genes and Health's mission to improve the diversity of genetic data used for health research, a group of life sciences companies (Bristol Myers Squibb, GSK, Maze Therapeutics, MSD, Novo Nordisk, Pfizer, Takeda) have collectively committed £25 million of new investment to the generation of genetic data and analyses of samples donated by the 50,000 volunteers. This research has the potential to transform health outcomes not only within East London but worldwide.
- The work of Professor Graham Foster has shaped national and international policy on hepatitis treatment and screening. Hepatitis is particularly prevalent in the disadvantaged communities that we exist to serve. This research has led to the largest ever single NHS investment in specialist services, more than £200m. Over 60,000 patients have benefitted from this, leading to a 20% fall in deaths, and 44% fall in people needing liver transplants as a result of hepatitis C, while offering hope to sufferers across the world.
- Work from academics from across Queen Mary's faculties has played a vital role in making London's air cleaner and improving the health and wellbeing of children attending inner-city primary schools. Our research – originating from the School of Geography - provided the scientific basis for the introduction of the Ultra Low Emission Zone, cleaning up London's air and addressing the 40,000 premature deaths which are caused by air pollution.

- Dr Jamie Griffin has led pioneering research evaluating the costs and benefits of new and existing malaria interventions. This research has saved nearly 100,000 lives in Africa, by ensuring the most effective interventions are applied. This is Queen Mary at the forefront of combatting a true global challenge, having a profound impact across the globe.
- Queen Mary is actively supporting the mental health of child refugees, through the work of Dr Sevasti Foka. Her research, based on her experience as a volunteer counsellor in refugee camps, has developed a psychological intervention that can be deployed in challenging conditions, to young children and adolescents in urgent need of support. This has been delivered to hundreds of children across seven international sites, promoting wellbeing and resilience.
- The work of Professor Thomas Dixon from the School of History is utilising historical understanding, ideas and vocabulary to better equip children in schools to understand and promote their own and others emotional wellbeing. This project – featured widely in the media – is actively addressing the crisis in young people's mental health through exploring the history of human emotions.

Queen Mary 2030 Strategy (continued)

Environmental sustainability

This is the second year of our comprehensive Environmental Sustainability Action Plan (2020-23), and we have continued to accelerate our push towards ultimately becoming a net zero institution, contributing to an urgent global challenge.

- In line with our commitment to social justice, and civic responsibilities, there is a strong ethos of collaboration with our local community in our efforts in this area:
- Our Grounds and Gardening team has delivered a suite of gardening workshops with staff and students, and in partnership with the local community has created a community orchard and wildflower meadow on our Mile End Campus, as well as planting six Black Poplar Trees, which are amongst the nation's rarest, one of which was planted to celebrate 2021 World Environment Day.
- We have opened a Zero Waste shop in a prominent location on our Mile End Campus. Facing onto the Mile End Road, this shop will be open to the local community, with a focus on locally sourced sustainable goods, and showcasing environment innovations from our student community.
- We are sharing our best practice across our Civic Partners, through playing a leading role in sector and local groups, including driving forward the agenda of the Tower Hamlets Climate and Carbon Taskforce, recognising that our power to have a positive impact is limited if we act on our own and in isolation.
- The Students Union continues to work with the Canal and River Trust with regular clean-up activities along the Regent's Canal, removing plastic from the local environment and perpetuating an eco-system which supports local wildlife.

Beyond this, there are other significant strides being made, supported by a number of notable external validations:

- Since 2019 we have moved up 47 places in the People and Planet Sustainability University League Table, from 83rd to 36th in the sector. This is the only significant independent assessment of university performance on sustainability, and is a particularly impressive outcome considering we are a research intensive institution.
- Building on our EcoCampus Gold award in early 2021 we worked towards achieving a Platinum Award – the highest available – which we received in the Summer of 2022.
- We have continued to embed environmental sustainability across our inclusive curriculum, through embedding education for sustainable development (ESD). 62% of the 138 undergraduate programmes include elements of ESD and adhere to the principles of sustainable development.

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.

Economic pressures

The increased inflation rate and growing cost of living crisis have the potential to significantly impact much of the University's activities in the years ahead. Pay, utilities, and capital project costs are rising significantly, all of which are subject to ongoing volatility. We have adjusted our budgets in response, and have total cash generation contingencies in place, representing a reasonable 'buffer' against volatility. In addition to enhanced monitoring of the external financial climate, there are also a number of mitigating actions we continually undertake, including realising value in our procurement and contract negotiations. Our means of energy procurement, in particular, has insulated us from some of the worst potential shocks.

In response to the pandemic, a number of difficult decisions were taken, including a pause on capital expenditure and on non-business-critical recruitment, which resulted in a strong cash position and a significant cash contingency for the coming financial year. Building on our experience of managing the financial challenges of the pandemic, we now have the capacity and ability, if required, to implement cost-controlling measures at short notice, in order to mitigate the risks of the current period of volatility.

Policy environment and funding

The external policy environment continues to be challenging and fast moving. Earlier this year the UK government announced that the headline home undergraduate tuition fee will be frozen at £9,250 for at least another three years. This freeze already represents a 17% real-terms cut since 2012/13, and the impact will be even more pronounced in a high-inflation environment.

There is risk for the sector in the UK government's approach to prioritising funding towards subjects it sees as 'strategically important' for the UK economy. The work we have undertaken over the past 5 years to diversifying our student body in such subjects not currently favoured by the government, increasing

the proportion of overseas and postgraduate students, and by increasing our focus on interdisciplinarity subjects, mitigates this risk to an extent. Our University Research Institutes cut across all Faculties, informing our research-led teaching. We are exploring further interdisciplinary degrees in a number of areas and maximising the alignment of our activities with areas the government considers to be strategically important.

Volatility in the geopolitical climate

The current volatile geopolitical climate poses a risk to the University (and indeed the sector as a whole) as well as long-term wider business relationships between all sectors in the UK and China. The relationship between the higher-education sector and China has increasingly been a focus for the UK government, in particular the perceived risks to national security through academic collaboration in areas considered sensitive for national security – such as AI and telecommunications – and the perceived risk to freedom of speech, which is also prominent in the government's wider agenda in relation to higher education. The University has long-standing relationships with Chinese, and wider international partners, which are critical to the UK's economy as well as addressing the global challenges facing society. As with all partnerships, the University will continue to adhere unreservedly to its core values and work with the UK government to ensure a beneficial and transparent UK-China wider economic partnership going forward.

In other areas there are also risks. The war in Ukraine will affect students travelling from this area, but others as well due to the strain on the UK visa service.

The University has a diverse staff and student body, with over 170 nationalities represented. We see this as an important part of ensuring an inclusive and global outlook. We are continuing to focus on further diversifying the international student body.

Industrial Relations and the USS Pension Scheme

There is a significant financial risk to the University through increased pension contributions. Employer contributions to USS have risen from 18% of salaries in 2018, to 21.6% in 2022, and contributions to the SAUL scheme are also increasing. In addition, the UCU covenant support measures agreed by the sector in 2021 amount to a restriction on our future financial autonomy, which could impact on our ability to raise finance in the future. There is an ongoing risk of prolonged periods of sector-wide industrial action in relation to pensions and pay, with the potential to cause disruption to students and the University.

Our policies in relation to strike action, and action short of a strike, prioritise the provision of educational activities above all other activities, in-line with our regulatory responsibilities.

This means that all educational activities lost as a result of strike action will be made up, ameliorating the worst of the impact on the student experience in the affected areas.

During 2021/22 there were three periods of strike action. Out of a workforce of around 5,400, 113 members of staff took part in the 10 days of strike action between 14 February and 2 March 2022, of which 56 participated in 3 days or less and 12 took part in all 10 days. Five days of industrial action occurred between 28 March and 1 April 2022, in which 39 members of staff participated, with 17 participating in all 5 days. A further 10 days of strike action in relation to a local dispute took place between 5 and 18 May 2022, in which 12 members of staff took part. In relation to the marking boycott, 108 people (2% of all staff) had pay deducted in July 2022 as a result of the marking boycott.

Queen Mary 2030 Strategy (continued)

Strategy Review 2021/22 by Professor Colin Bailey, President and Principal

2021/22 was the third full year of our 2030 Strategy. I am proud of our community for developing a Strategy which – despite unprecedented volatility in the external environment, and the impact of a global pandemic – has continued to shape our actions and provide a guiding sense of purpose. We developed our Strategy as a University community over the space of 12 months (including more than 100 engagement events), and this grounding in our community gives it a firm foundation across our core activities.

A focus this year has been accelerating the implementation of the research and innovation elements of our Strategy, in particular promoting multi-disciplinary research and innovation, through our University Research Institutes (URIs) and Research Highways. We were delighted to formally launch our Digital Environment Research Institute with a high profile event and launch two more cross-Faculty URIs in Precision Healthcare and Sustainable Futures. A new operating model for these Institutes gives them greater autonomy to act with agility in responding to opportunities and will make it easier for academics across the University to fully participate.

In addition to these new entities, we have launched five Research Highways. The Research Highways focus on five interdisciplinary research themes which bring together expertise from across Queen Mary. These cross-Faculty themes have an existing academic critical mass, and will make it easier to communicate the outstanding research strengths of Queen Mary to the outside world, and how we are addressing the most pressing global challenges.

Increasing collaboration across discipline boundaries is essential if we are to be greater than the sum of our parts and operate as one University. The strides made this year provide an excellent platform for our research community to build on the success of REF 2021.

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



Queen Mary 2030 Strategy (continued)

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 are implementing an enhanced system of **Learner Engagement Analytics (LEA)**, which combines different types of data in order to better understand, and take action to improve, the learning experiences of our students. LEA helps to provide more nuanced views of our highly diverse student population, challenge assumptions, and allow supportive resource to be directed where it is most needed. Through LEA we can ensure that our academic offerings align with the needs and goals of students, support satisfaction and wellbeing, and engender a more personalised learning experience, ultimately helping all learners reach their full academic potential.

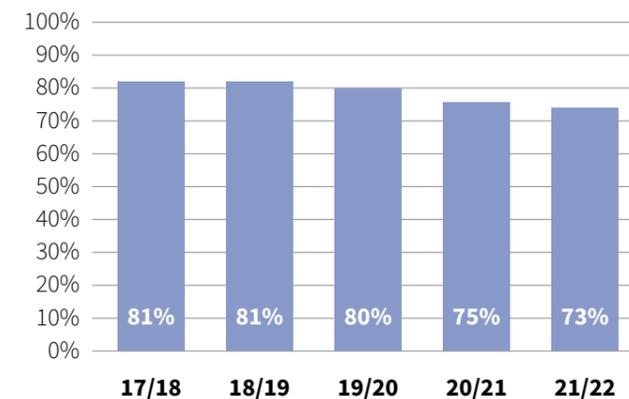
In response to the pandemic and post-pandemic environment, work to develop and implement **mixed-mode education** has seen over 100 rooms equipped with technology and over 1,000 staff trained in pedagogic approaches which support interactivity and inclusivity when teaching students both in the room and remotely.

We have agreed a set of **inclusive curriculum principles** with the aim to develop graduates with a global outlook who will flourish and make a difference in diverse communities locally and around the world. Through these principles, we aim to acknowledge and address structural inequalities by including diverse voices, perspectives and identities so that our curriculum is exciting, challenging and relevant, while being co-created in partnership with our students and staff.

We are updating our **graduate attributes** – the knowledge, skills and behaviours that Queen Mary students develop as a result of their learning and experiences at university – and will be embedding these in all programmes of study over the course of the next academic year. Our graduate attributes are the qualities that prepare graduates to succeed in an ever-changing global job market and become active global citizens. They are co-created with students and tailored to each programme of study to ensure graduates are as best prepared for life after university as possible.

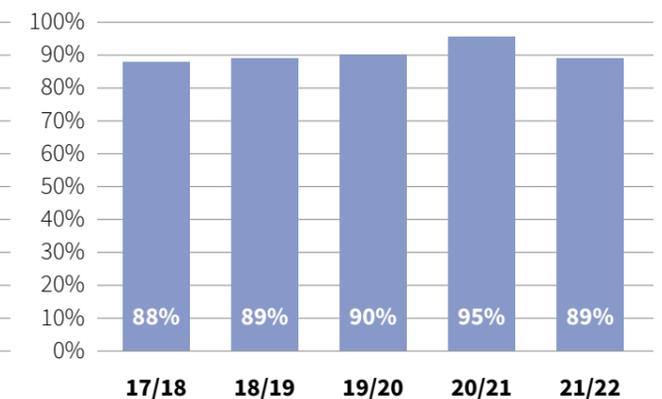
Performance in Strategy Areas

Student Satisfaction



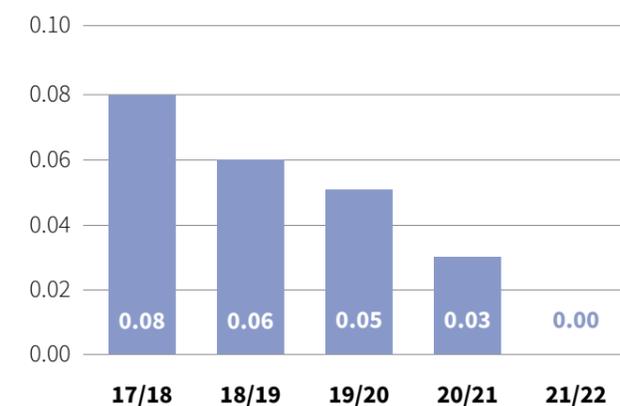
73% overall student satisfaction, down from 81% three years ago in part due to the challenges of the pandemic. The Education and Student Success Enabling Plan sets out a range of initiatives to enhance the educational and student experience, many of which are being led by the Queen Mary Academy. These sit alongside the action plans which are being developed in our Faculties, Schools and Institutes.

Student Progression



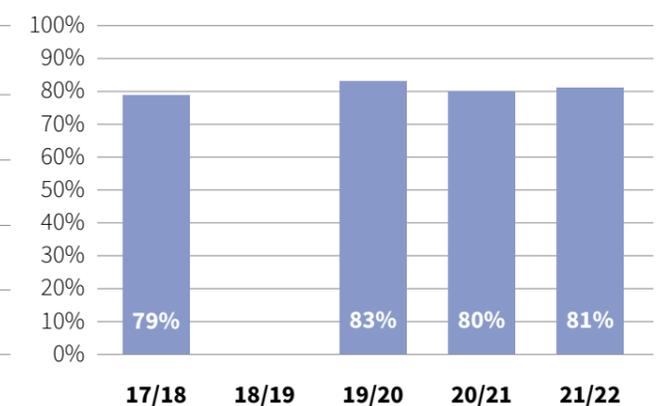
89% of our first-year students progress, up from 88% four years ago. (2020/21 was an anomalous year, in which more students than usual were permitted to progress, due to their studies being affected by the pandemic)

BAME/White Attainment Gap



We have eliminated the attainment gap between BAME and white students (based on the Guardian University Guide's "Value Added" measure)

Highly skilled jobs/study



81% of our graduates are in highly-skilled jobs or further study. (From 2019/20 this has been based on the Graduate Outcomes Survey, conducted 15 months after graduation. In 2017/18 this was based on the Destination of Leavers from Higher Education Survey, conducted 6 months after graduation)

Queen Mary 2030 Strategy (continued)

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

In May 2022, the results of the **Research Excellence Framework 2021** confirmed Queen Mary's status as one of the best research-intensive universities in the UK. The University ranked joint 7th in the UK for the quality of its research and **92%** of Queen Mary's research was assessed as internationally excellent or world-leading.

Many of Queen Mary's submissions spoke to the University's particular expertise around social justice and social mobility, as well as health and equality outcomes for the diverse communities we serve. Just some of our **recent research outputs** include new treatments to eliminate Hepatitis C, pioneering support for children in refugee camps, tackling violence against women and girls, new tools to combat plastic pollution, and changing international policy on nuclear waste.

As part of our Strategy 2030 objectives, we are in the process of building upon our existing research success by significantly increasing capacity in key focussed areas and bringing research excellence together with real impact that changes the world.

In March 2022, we announced the official launch of our **Digital Environment Research Institute (DERI)**. The newly created Institute is the centre of digital, data science, and AI research at Queen Mary, bringing together experts from across our Faculties. The Institute is developing research themes aligned with Queen Mary's academic expertise and exploring potential new areas of focus that will expand both DERI's and the University's remit, in particular Trustworthy AI, Data Science for the Environment and Sustainability, Fintech and others.

DERI sits within an outstanding ecosystem with strong links to the Alan Turing Institute, the University Enterprise Zone and East London's Tech City, a vibrant cluster of high-tech companies. Within the Institute we also have an AI for Drug Discovery Doctoral Training Programme, joining forces with Exscientia, MSD and Heptares to train the next generation of AI Drug Discovery researchers.

DERI is already generating new research funding including £1m investment in High Performance Computing, funded by Research Capital Investment Fund (RCIF), and a first successful grant of over £2m from Biotechnology and Biological Sciences Research Council's Centre for Doctoral Training (BBRSC CDT).

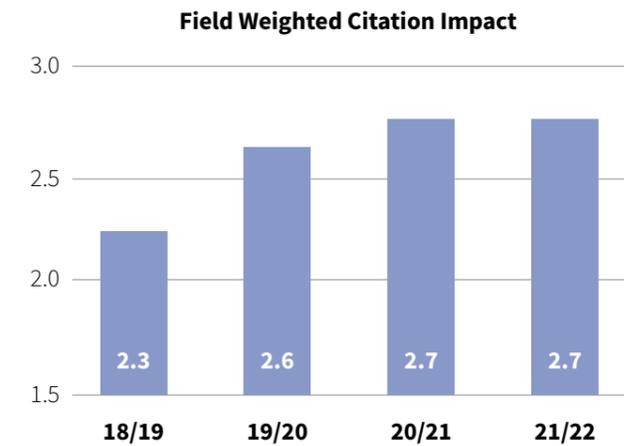
In February 2022, we launched our **Research Highways**. The Research Highways focus on five interdisciplinary research themes which bring together expertise from across Queen Mary:

- Sustainability, environment, energy
- Digital, information, data
- Lifelong health and wellbeing
- Performance, communication, creative industries
- Accelerating innovation and invention

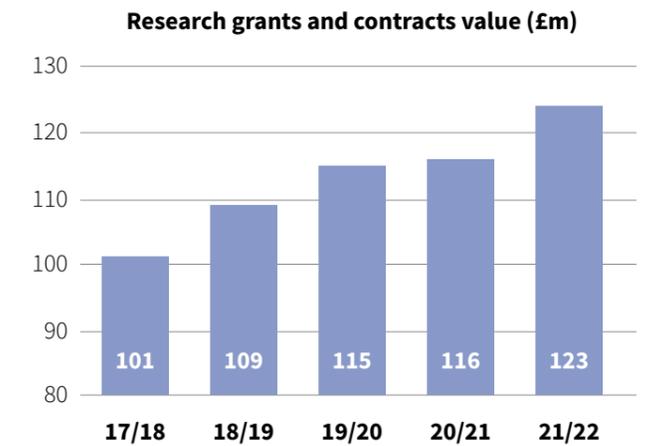
Our Research Highways communicate our research priorities and strengths to external audiences and potential partners, reflecting our reputation in these areas. Each Highway represents an area where Queen Mary has cross-faculty excellence and depth. This allows us to build on our existing strengths to accelerate our capacity for research and innovation at Queen Mary, through new collaborations, joint working and partnerships.

Just as importantly, each Highway is concerned with the key questions that our global community faces today. They are rooted in the problems that our partners tell us they're baffled by, and the issues we see in the communities we work with, here in East London and across the world. They're also inspired by the opportunities we see to bring research-based knowledge and innovation to bear to improve outcomes for individuals and societies.

Performance in Strategy Areas



Field-Weighted Citation Impact has risen to 2.7 in 2021/22 from 2.3 in 2018/19 and we are consistently top-5 in the Russell Group



£123m Research Grant and Contract income in 2021/22, up from £101m in 2017/18

Queen Mary 2030 Strategy (continued)

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.
- Placing inclusion at the heart of the student experience

We have made significant progress, especially with regards to the infrastructure and investment required to realise our vision and mission.

The **Equality, Diversity and Inclusion Steering Group (EDISG)** plays an essential governance role in providing strategic coherence and oversight across all matters of EDI. In response to University-wide feedback, EDISG has strengthened its role and remit, including a clear reporting structure for all its sub-committees, thereby aligning all areas of our extensive EDI agenda. Membership has been extended to be more representative of our University staff and student community to ensure that its decisions are better informed by the needs and voices of our diverse community. These changes have generated strong engagement from across the University as demonstrated through the enthusiastic involvement of colleagues and students in the design and delivery of a wide range of new EDI initiatives.

We have established a series of **Action Groups** (including on gender equality, race equality, LGBTQA+ equality, wellbeing and mental health, and preventing and addressing harassment and sexual misconduct). These groups report directly to EDISG and comprise students, staff and experts from across the University, to help shape, plan and deliver our work.

Our **Values in Action Framework** sets out clear expectations of staff behaviour at all levels at Queen Mary. The Values in Action have been embedded across the employee lifecycle and incorporated into our appraisal, promotions, reward and development activities.

At Queen Mary, we believe strongly that leadership is a quality that we can all show, regardless of role. Our **Leading Together Framework** is a tool for colleagues' development which describes the behaviours – at every level of leadership – that demonstrate our Values. We have developed our new 'Pathways to Leadership' programmes, which are designed to support the University's aim to improve diversity, especially at middle and senior levels. In the year ahead we will create a comprehensive programme of development for Professional Services staff and enhance our Researcher development leadership offering. In addition, we will embed newly-designed career pathways for Professional Services and Technician staff to increase diversity of leadership at all levels.

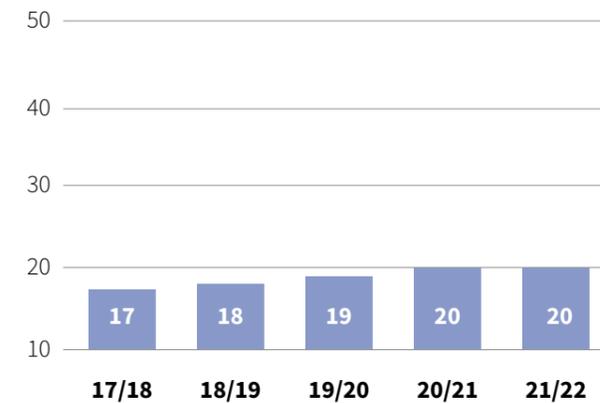
Another key achievement to support an inclusive culture at Queen Mary was the launch of a new mandatory **Introducing Inclusion** e-learning module, a highly flexible training course which has been designed to bring colleagues up to date on understanding equalities law, unconscious bias and how we can promote positive, inclusive behaviours in our workplace. Over 60% of staff at Queen Mary have undertaken this training.

Queen Mary's **Staff Survey** was launched in April 2022. The survey focussed on a number of key themes including wellbeing, inclusion, leadership, management, allocation of work and embedding Queen Mary's Values. There was an increase in response rate since the last survey, to 63% (over 3,000 staff). However, this means there was a significant proportion who did not respond, and we will be focussing on improving this further in future surveys. The results are being used to inform planning for future work that will support Strategy 2030, and will be supplemented by a rolling programme of Staff Surveys, enabling all staff to have a voice and contribute to our future actions.

This academic year, Queen Mary successfully retained its Institutional **Athena Swan Silver Award**, in recognition of the University's commitment to advancing gender equality. Queen Mary now joins a select group of UK universities who have renewed this distinguished accreditation at silver level. In the year ahead we plan to apply for the **Mental Health Charter Mark** and develop a Wellbeing and Mental Health Strategy, which will include a disability strategy and action plan.

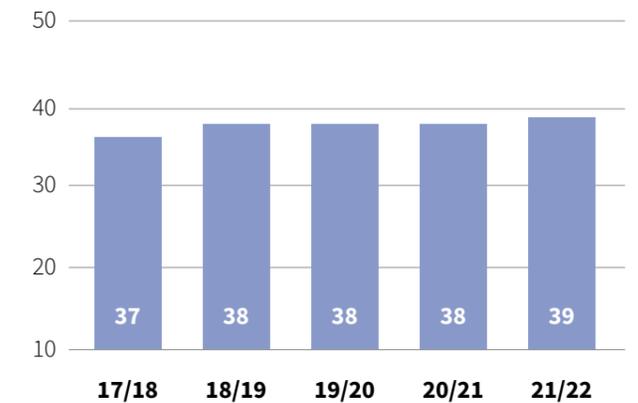
Performance in Strategy Areas

BAME senior staff (%)



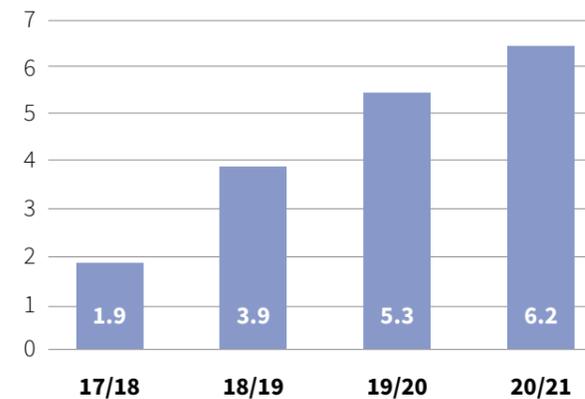
20% of senior staff are black, Asian or minority ethnic (BAME), an increase of 3% since 2017/18.

Female senior staff (%)



39% of senior staff are female, an increase of 2% since 2017/18.

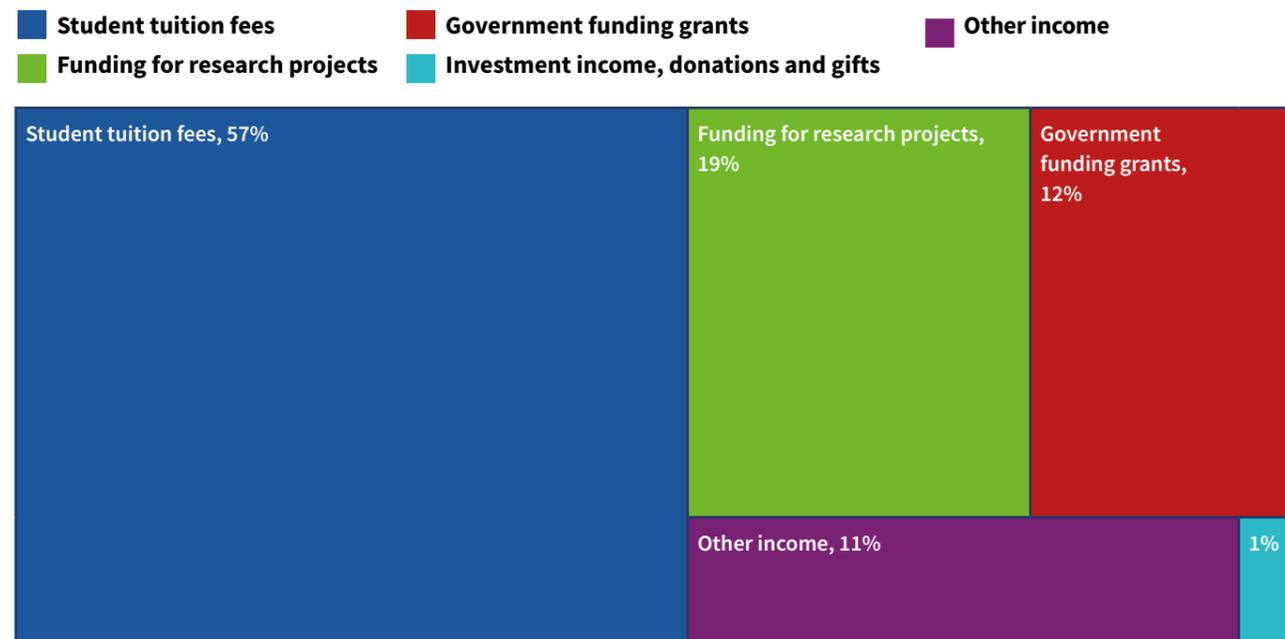
Alumni engaged (%)



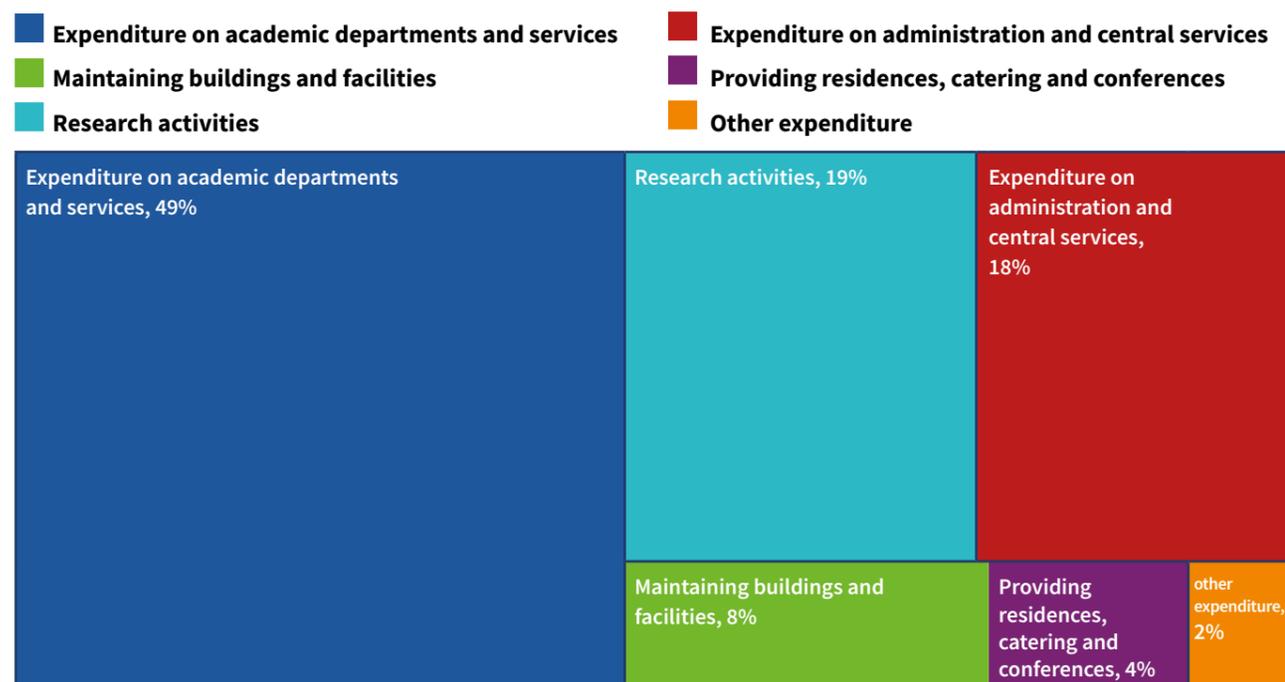
The percentage of our contactable alumni engaged rose to 6.2%, up from 1.9% three years ago.

Financial Review of 2021/22

Income



Expenditure



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

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

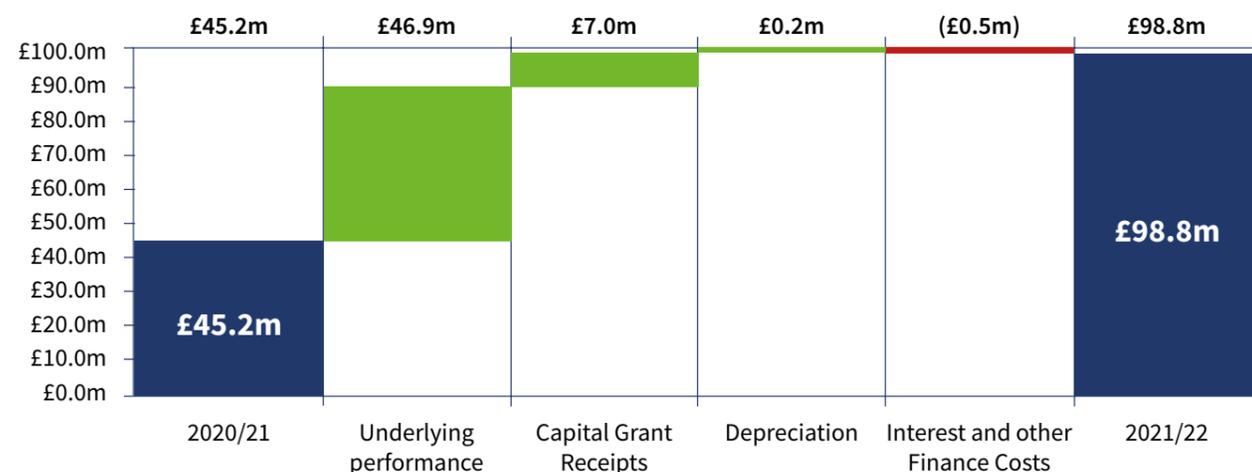
Underlying cash generation

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:

	2021/22 £'000	2020/21 £'000
Surplus/(deficit) before other gains/(losses) and share of operating profit/(loss) of associates	3,573	41,386
Depreciation and amortisation	26,807	27,005
Interest payable	8,295	7,803
Investment Income	(2,168)	(1,180)
Pension provision	95,235	3,772
Capital grants	(21,212)	(14,193)
Holiday pay accrual	(247)	(48)
Strategic fund expenditure	7,366	6,688
Underlying cash generation	117,649	71,233

Financial Review of 2021/22 (continued)

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



The University successfully concluded its private placement in 2019, securing £160m of proceeds. The nature of the private placement 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 2022 was £147.0m (2021: £186.5m), with a fair value decrease of £39.5m being recognised in the Statement of Comprehensive Income and Expenditure (2021: £9.0m increase). 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.

Income

Total income grew by £99.2m to £634.5m, whilst income, excluding capital grants, grew by £92.2m to £613.3m.

Income	2021/22 £ millions	2020/21 £ millions	Change %
Tuition fee	361.6	292.0	26%
Funding body grants*	67.6	69.4	-3%
Research*	121.1	113.3	7%
Other income, investment income & donations*	63.0	46.4	36%
Total before capital grants	613.3	521.1	19%
Capital grants	21.2	14.2	49%
Total income	634.5	535.3	20%

*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 £61.1m (48% increase). There was also a smaller increase in full time home and EU students where fee income increased by £4.4m (3% increase).

Total student numbers as at 1 December census point increased by 12% to 31,899 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:

	2021/22 Numbers	2020/21 Numbers	Change %
Student Numbers	31,899	28,439	12%
By level of study:			
Undergraduate	22,728	20,742	10%
Postgraduate	9,171	7,697	19%
By fee status:			
Home (UK and EU)	18,448	18,007	2%
Overseas (International)	13,451	10,432	29%
By location:			
Queen Mary (London)	25,197	22,363	13%
Overseas (incl. China)	5,268	4,757	11%
Distance Learning	1,434	1,319	9%

The Funding body grants decreased slightly from £76.4m to £73.2m. The revenue element of these grants decreased slightly to £67.6m (2020/21 £69.4m), whilst the capital element also decreased slightly to £5.6m (2020/21 £7.0m).

Research grant and contract income, excluding capital grants, increased by 7% to £121.1m.

Other income excluding capital grants, but which includes income from residences, catering and services to the NHS increased by £13.5m to £56.7m. This is primarily as a result of increases in residences, catering and conference income which was reduced in 2020/21 due to the Covid pandemic.

Investment income has increased by £1.0m to £2.2m as a result of increases in cash balances and increases to the interest rates available on the investment of surplus cash.

Financial Review of 2021/22 (continued)

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. Excluding this, expenditure increased by 9% to £535.7m.

Expenditure	2021/22 £ millions	2020/21 £ millions	Change %
Staff costs	306.2	290.5	5%
Other operating expenses	194.4	164.8	18%
Depreciation and amortisation	26.8	27.0	-1%
Interest and other finance costs	8.3	7.8	6%
Total expenditure before pension provisions	535.7	490.1	9%
Pension provision movements	95.2	3.8	
Total expenditure after pension provisions	630.9	493.9	28%

Staff costs increased by 5%, reflecting the increase in staff numbers in the year from 4,366 FTE to 4,505 FTE, along with increased pension contribution rates and pay increases which were implemented in the year.

Other operating costs increased by 18% to £194.4m as a result of increased post Covid expenditure for capital projects, consumables and estates related expenditure.

Depreciation and amortisation remained at a similar level to last year at £26.8m (2020/21 £27.0m).

Interest and finance costs increased by £0.5m as a result of a £0.5m 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 2021/22 of £56.0m (2020/21 £36.9m). Capital expenditure included the following major project spend:

1. Fit out costs of £2.5m at Dept W in 2021/22 (with total capital expenditure incurred on the project at 31 July 2022 of £8.5m). The property is held on a 15 year lease from August 2020 and was brought into use from September 2021, freeing up space in the Queens' Building for additional student space.
2. £9.7m costs incurred on a project to develop a state-of-the-art life sciences centre at Whitechapel.
3. Improvement works of £1.4m at Charterhouse Square campus with upgrades to existing teaching and research facilities in addition to a new laboratory space for pathology and cell cultures (total capital cost incurred of £6.1m).

4. £2.8m of Phase 1 refurbishment works to the Queens' Building which were completed at end of January 2022 (with total capital expenditure incurred on the project of £5.9m). This refurbishment provided additional student teaching spaces and IT laboratories. Phase 2 of the Queens' Building refurbishment works has commenced with capital expenditure incurred at 31 July 2022 of £0.5m out of a total budget of £16.1m.
5. £11.8m costs incurred on the development of the London City Institute of Technology in partnership with Newham College.
6. Works to the library of £1.9m to reconfigure the ground floor and £2.3m on a roof extension. The total costs incurred to date on both these library projects is £5.5m at 31 July 2022.
7. £1.7m as part of an ongoing project to construct a new School of Business and Management building with an overall budget of £60.7m.

Investments

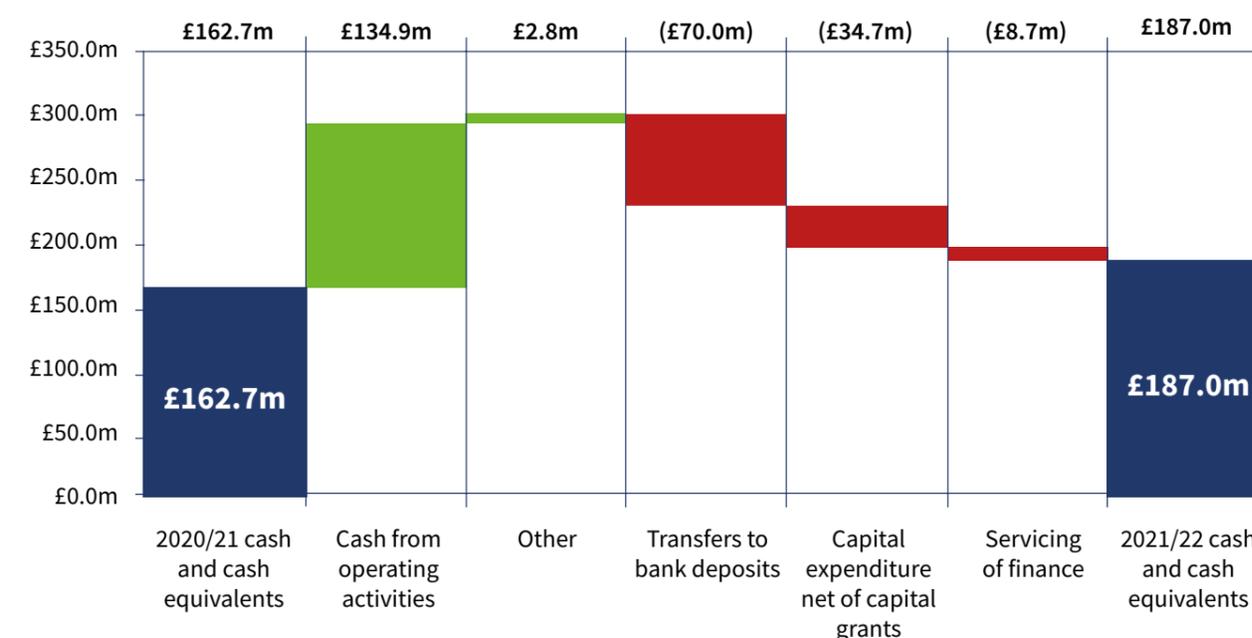
Non-current investments decreased by £0.9m, which included a £1.3m net increase in the fair value of the managed endowment investment portfolio and £2.2m decrease in the fair value of other investments.

Current investments increased by £70.0m 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 increased by £24.3m to £187.0m (2020/21 restated: £162.7m). Pre-pandemic we had been planning significant investment in line with the requirements of Strategy 2030. The majority of these plans were paused due to Covid but have subsequently now recommenced with projects planned over the coming periods.

Year on year change in cash and cash equivalents as at 31st July



Financial Review of 2021/22 (continued)

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.

For USS the new schedule of contributions was implemented in October 2021, with employer contributions increasing from 21.1% to 21.4% in October 2021 and then again to 21.6% in March 2022. In addition, a debt monitoring framework and pari passu arrangements were implemented, with no gap between the end of the existing short-term moratorium on employer exits and the start of a rolling 20-year moratorium.

For the SAUL scheme, employer contributions increased from 16% to 19% in April 2022 and will further increase to 21% in January 2023. At 31 July 2022 there is no pension deficit for the SAUL scheme.

There is a new deficit recovery plan to reflect the USS 2020 valuation, and the 2022 deficit recovery liability of £164.8m reflects this plan. 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% of salaries for the length of the recovery plan until 31 March 2038. The impact of the new deficit recovery plan is an increase in the USS deficit recovery liability at 31 July 2022 of £95.1m, taking the provision to £164.8m.

Financial Outlook

Whilst 2021/22 saw the immediate challenges from COVID19 and BREXIT start to recede, others emerged or gained in significance. We have continued to balance the need to invest for the future, with the need to maintain the financial resilience to deal with the risks and uncertainties that lie ahead.

The 2022/23 budget was approved in March 2022 and indicates planned income of £651m and underlying cash generation of £80m. The budget and financial forecasts to 2026/27 were prepared to incorporate the resources required to deliver the 2030 strategy. The future year forecasts indicate that the continued growth in both income and operating cash is sufficient to fund the required investment in staff and infrastructure to support the strategy.

The sector is subject to various external risks as well as changes in government policy. As the immediate effects of COVID 19 and BREXIT recede, the impact of geo-politics, in particular the conflict in Ukraine, and the significant increases in price inflation are now being felt. The ongoing decisions around HE funding and the impact on the availability of

research funding, pension costs and industrial relations and the wider economic health of the countries in which our students are domiciled are all considered in our horizon planning assumptions.

Whilst recognising these challenges management have modelled a number of scenarios. The most significant risks to cash generation are overseas student recruitment and inflation. We continue to assess the position on international student recruitment, and inflation, with a particular focus on pay and utilities. In coming to its final decision that the going concern basis was appropriate, Council considered the latest position on student numbers and tuition fee income, and the potential impact of inflation above that included in the financial forecasts and noted that these did not indicate any need to change assumptions. These assumptions were subject to further review by Council in June 2022, which included a review of international student applications, utilities prices and wider inflation. Council concluded that whilst significant risks exist, the financial position of the University, and indications of strong 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 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 there are mitigations possible to conserve cash, 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 2022 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 and equality of opportunity, which are enshrined in its Royal Charter.

Constitution and Governing Body

The University was established by Act of Parliament and granting of a Royal Charter in 1989 following 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) merged with the University in 1995 by Act of Parliament. The University adopted the formal title 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 to hold collectively 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 and academic freedom.

Council keeps its own effectiveness and that of its committees under regular review. Members' views on the effectiveness of Council and its committees are considered annually. A detailed mapping exercise undertaken this financial year confirmed that the University's practices are compliant with the CUC Code. Early in the next financial year, Council will consider the outcome of a full and robust external review of governance effectiveness, reflecting the frequency and scope of reviews recommended in the CUC Code.

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 accounting 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 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.

The membership of Audit and Risk Committee is set out at the end of these Financial Statements. A detailed mapping exercise undertaken this financial year confirmed that the University's practices are compliant with the expectations in the CUC's Higher Education Audit Committees Code of Practice.

Governance Committee fulfils the roles and expectations of a nominations committee within the CUC Code. 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.

A detailed mapping exercise undertaken this financial year confirmed that the University's practices are compliant

with the expectations in the Higher Education Senior Staff Remuneration Code.

Remuneration Committee publishes a Remuneration Annual Report providing information on: its scope, membership and mode of operation; the University's approach to remuneration; institutional performance; the rationale for the total remuneration of the President and Principal; disclosures on the President and Principal's external appointments and expenses; and the remuneration of the Senior Executive Team as a whole.

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 departments.

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 Charter and Ordinances and the regulatory framework of the Office for Students.

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.

Statement of Corporate Governance and Internal Control (continued)

The following process accords with guidance from the Office for Students and was in place for the year ended 31 July 2022 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 on the adequacy and effectiveness of the University's system of internal control, based on work undertaken in accordance with its approved audit plan, 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, as well as an annual report on legal compliance in areas that are relevant for the University's current and planned activities.

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 and approval of the Financial Statements which are prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standard (FRS102). In addition, within the Terms and Conditions for higher education institutions issued by Office for Students (OfS) the Council, through the President and Principal, is required to prepare Financial Statements for each financial year in compliance with the Regulatory Advice 9: Accounts direction published by OfS which give 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.

The Financial Statements are adopted by Council following review by the Finance and Investment Committee and on the recommendation of the 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 OfS 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 the Finance and Investment Committee under delegated authority from Council;
- an internal audit programme approved by the 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, the 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 Board 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 2022 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 2022 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 board members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions

that, individually or collectively, may cast significant doubt on the 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 board members with respect to going concern are described in the relevant sections of this report.

Other information

The board is responsible for the other information. The other information comprises the information included in the Strategic Report and Financial Statements, 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) and the Education and Skills Funding Agency 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 Board of Governors

As explained more fully in the Responsibilities of the Board of Governors statement, the Board of Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members 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 Board of Governors are responsible for assessing the Group and the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Governors either 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:

Based on our understanding of the Group and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations are related to their registration with the OfS and their ongoing conditions of registration, and we considered the extent to which non-compliance might have a material effect on the Group Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the OfS Accounts Direction and tax legislation. In order to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, we made enquiries of management and those charged with Governance about whether the entity is in compliance with such laws and regulations and we inspected any relevant regulatory and legal correspondence.

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

The audit procedures to address the risks identified included:

- 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.
- 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;
- 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;
- Direct enquiry of the Accountable Officer.

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

Independent auditor's report to the Board of Queen Mary University Of London (continued)

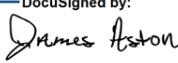
to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws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

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

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

Use of our report

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

DocuSigned by:

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James Aston MBE (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Gatwick, UK

Date: 19 December 2022

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 2022

	Notes	Year ended 31 July 2022		Year ended 31 July 2021	
		Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Income					
Tuition fees and education contracts	1	361,574	356,846	292,019	288,975
Funding body grants	2	73,224	73,224	76,355	76,355
Research grants and contracts	3	123,382	122,900	116,222	115,753
Other income	4	69,895	66,776	47,483	45,318
Investment income	5	2,168	2,163	1,180	1,180
Donations and endowments	6	4,285	3,830	2,013	2,190
Total income		634,528	625,739	535,272	529,771
Expenditure					
Staff costs	8	306,172	302,118	290,497	287,555
Pension provision movement	8	95,235	95,235	3,772	3,772
Other operating expenses		194,434	192,696	164,809	164,126
Depreciation and amortisation	12,13	26,819	25,784	27,005	25,982
Interest and other finance costs	9	8,295	7,525	7,803	6,988
Total expenditure	10	630,955	623,358	493,886	488,423
Surplus/(deficit) before other gains/(losses) and share of operating profit/(loss) of associates		3,573	2,381	41,386	41,348
Share of profit/(loss) in associates		(138)	-	(238)	-
Gain/(loss) on investments		(158)	(30)	6,748	6,662
Loss on disposal of tangible assets		-	-	-	-
Fair value movement in unsecured notes		39,525	39,525	(8,996)	(8,996)
Surplus/(Deficit) before tax		42,802	41,876	38,900	39,014
Taxation	11	(930)	(777)	(134)	(758)
Surplus/(deficit) for the year		41,872	41,099	38,766	38,256
Share of other comprehensive income of associates		32	-	(155)	-
Actuarial gain/(loss) in respect of pension schemes	31	527	527	(21)	(21)
Total comprehensive income and expenditure for the year		42,431	41,626	38,590	38,235
Represented by:					
Endowment comprehensive income and expenditure for the year		2,108	2,108	4,074	4,074
Restricted comprehensive income and expenditure for the year		1,283	763	(374)	(262)
Unrestricted comprehensive income and expenditure for the year		39,040	38,755	34,890	34,423
Attributable to the Institution		42,431	41,626	38,590	38,235
Attributable to the non-controlling interest		-	-	-	-
		42,431	41,626	38,590	38,235
Surplus/(deficit) for the year attributable to:					
Non-controlling interest		-	-	-	-
Institution		41,872	41,099	38,766	38,256

All items of income and expenditure relate to continuing activities

Consolidated and Institution Statement of Financial Position

As at 31 July 2022

Notes	As at 31 July 2022		As at 31 July 2021	
	Consolidated £'000	Institution £'000	Consolidated Restated £'000	Institution Restated £'000
34				
Non-current assets				
Intangible assets	12	4,753	4,753	5,083
Tangible assets	13	654,051	644,476	624,427
Investments	14	46,036	49,483	46,912
Investments in associates	15	250	298	362
		705,090	699,010	676,784
Current assets				
Stock		346	346	458
Trade and other receivables	16	95,223	97,900	82,489
Investments	17	154,503	154,503	84,505
Cash and cash equivalents	24	187,005	182,142	162,687
		437,077	434,891	330,139
Less: Creditors: amounts falling due within one year	18	(187,865)	(188,467)	(148,606)
Net current assets/(liabilities)		249,212	246,424	181,533
Total assets less current liabilities		954,302	945,434	858,317
Creditors: amounts falling due after more than one year	19	(218,903)	(205,614)	(260,969)
Provisions				
Pension provisions	20	(164,669)	(164,669)	(68,989)
Other provisions	21	(40)	(40)	(100)
		570,690	575,111	528,259
Total net assets		570,690	575,111	528,259
Restricted Reserves				
Income and expenditure reserve - endowment	22	43,439	43,439	41,331
Income and expenditure reserve - restricted	23	3,849	2,747	2,566
		570,695	575,111	528,264
Unrestricted Reserves				
Income and expenditure reserve - unrestricted		523,407	528,925	484,367
		570,695	575,111	528,264
Non-controlling interest		(5)	-	(5)
Total Reserves		570,690	575,111	528,259

The financial statements were approved by Council on 16 December 2022 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 2022

	Notes	Year ended 31 July 2022		Year ended 31 July 2021	
		Consolidated	Institution	Consolidated	Institution
	34	£'000	£'000	Restated £'000	Restated £'000
Cash flow from operating activities					
Surplus/(deficit) for the year before taxation		42,802	41,876	38,900	39,014
Adjustment for non-cash items					
Depreciation	13	25,359	24,324	24,125	23,102
Amortisation of intangible assets	12	1,460	1,460	2,880	2,880
Impairment of asset	13	-	-	3,805	3,805
Fair value movement in unsecured notes		(39,525)	(39,525)	8,996	8,996
Net charge on pension scheme	9	1,009	1,009	-	-
Unrealised (Gain)/Loss on investments		158	30	(6,748)	(6,662)
(Increase)/decrease in stock		112	112	(122)	(122)
(Increase) in debtors		(12,497)	(11,514)	(12,314)	(12,294)
Increase/(Decrease) in creditors		38,614	38,322	34,831	35,176
Increase/(Decrease) in pension provision excluding actuarial gains	20	96,207	96,207	4,092	4,092
(Decrease)/Increase in other provisions		(60)	(60)	51	51
Donations in kind	6	(899)	(899)	-	-
Share of loss/(profit) in associates		138	-	238	-
Actuarial loss in respect of pension scheme		-	-	(21)	(21)
Adjustment for investing or financing activities					
Investment income	5	(2,168)	(2,163)	(1,180)	(1,180)
Interest payable on loans and finance leases	9	7,286	6,516	7,325	6,510
New endowments	6	(1,102)	(1,102)	(152)	(152)
Loss on disposal of tangible assets		-	-	-	-
Capital grant income		(21,212)	(21,212)	(14,193)	(14,193)
Net cash generated from operating activities		135,682	133,381	90,513	89,002
Taxation		(779)	(777)	(134)	(758)
Net cash generated from operating activities after tax		134,903	132,604	90,379	88,244

Consolidated and Institution Statement of Cash Flows (continued) for the year ended 31 July 2022

	Notes	Year ended 31 July 2022		Year ended 31 July 2021	
		Consolidated	Institution	Consolidated	Institution
	34	£'000	£'000	Restated £'000	Restated £'000
Cash flows from investing activities					
Capital grant receipts		21,212	21,212	14,193	14,193
Disposal of non-current asset investments		-	-	1,293	1,293
Purchase of non-current asset investments		-	-	-	-
Disposal proceeds		718	718	337	337
Investment income		2,168	2,163	1,180	1,180
Payments made to acquire tangible assets		(54,834)	(54,816)	(35,345)	(35,275)
Payments made to acquire intangible assets		(1,130)	(1,130)	(1,600)	(1,600)
Movements on bank deposits		(69,998)	(69,998)	5,004	5,004
Net cash (used by) investing activities		(101,864)	(101,851)	(14,938)	(14,868)
Cash flows from financing activities					
Loan interest		(7,784)	(7,014)	(7,844)	(7,029)
Interest element of finance lease		(1)	(1)	(1)	(1)
Endowment cash received		1,102	1,102	152	152
New unsecured loans		-	-	-	-
Repayments of amounts borrowed		(1,905)	(1,051)	(1,824)	(1,013)
Capital element of finance lease payments		(133)	(133)	(89)	(89)
Net cash (used by) financing activities		(8,721)	(7,097)	(9,606)	(7,980)
Increase in cash and cash equivalents in the year					
		24,318	23,656	65,835	65,396
Cash and cash equivalents at beginning of the year		162,687	158,486	96,852	93,090
Cash and cash equivalents at end of the year		187,005	182,142	162,687	158,486
	24	24,318	23,656	65,835	65,396

Consolidated and Institution Statement of Changes in Reserves for the year ended 31 July 2022

Consolidated	Income and expenditure account			Total (excluding non- controlling interest)	Non- controlling interest	Total
	Endowment (note 22)	Restricted (note 23)	Unrestricted			
	£'000	£'000	£'000			
As at 1 August 2020	37,257	2,940	449,477	489,674	(5)	489,669
Surplus or (deficit) from the statement of comprehensive income and expenditure	4,074	(374)	35,066	38,766	-	38,766
Other comprehensive income or (expenditure)	-	-	(176)	(176)	-	(176)
Total comprehensive income or (expenditure) for the year	4,074	(374)	34,890	38,590	-	38,590
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 31 July 2022	43,439	3,849	523,407	570,695	(5)	570,690

Consolidated and Institution Statement of Changes in Reserves (continued) for the year ended 31 July 2022

Institution	Income and expenditure account			Total (excluding non- controlling interest)	Non- controlling interest	Total
	Endowment (note 22)	Restricted (note 23)	Unrestricted			
	£'000	£'000	£'000			
As at 1 August 2020	37,257	2,246	455,747	495,250	-	495,250
Surplus or (deficit) from the statement of comprehensive income and expenditure	4,074	(262)	34,444	38,256	-	38,256
Other comprehensive income or (expenditure)	-	-	(21)	(21)	-	(21)
Total comprehensive income or (expenditure) for the year	4,074	(262)	34,423	38,235	-	38,235
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 31 July 2022	43,439	2,747	528,925	575,111	-	575,111

Statement of Principal Accounting Policies

for the year ended 31 July 2022

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 2022/23 budget was approved in March 2022 and indicates planned income of £651m and underlying cash generation of £80m. The budget and financial forecasts to 2026/27 were prepared to incorporate the resources required to deliver the 2030 strategy. The future year forecasts indicate that the continued growth in both income and operating cash is sufficient to fund the required investment in staff and infrastructure to support the strategy. The sector is subject to various external risks as well as changes in government policy. As the immediate effects of COVID 19 and BREXIT recede, the impact of geo-politics, in particular the conflict in Ukraine, and the significant increases in price inflation are now being felt. The ongoing decisions around HE funding and the impact on the availability of research funding, pension costs and industrial relations and the wider economic health of the countries in which our students are domiciled are all considered in our horizon planning assumptions. Whilst recognising these challenges management have modelled a number of scenarios.

The most significant risks to cash generation are overseas student recruitment and inflation. We continue to assess the position on international student recruitment, and inflation, with a particular focus on pay and utilities. In coming to its final decision that the going concern basis was appropriate, Council considered the latest position on student numbers and tuition fee income, and the potential impact of inflation above that included in the financial forecasts and noted that these did not indicate any need to change assumptions. These assumptions were subject to further review by Council in June 2022, which included a review of international student applications, utilities prices and wider inflation. Council concluded that whilst significant risks exist, the financial position of the University, and indications of strong 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 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 there are mitigations possible to conserve cash, 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 Principal Accounting Policies (Continued)

for the year ended 31 July 2022

Basis of consolidation

The consolidated financial statements include Queen Mary (the University) and all its subsidiaries for the financial year to 31 July 2022. 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.
- 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.

Statement of Principal Accounting Policies (Continued)

for the year ended 31 July 2022

Income recognition (continued)

- 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 minimal economic 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.

Statement of Principal Accounting Policies (Continued)

for the year ended 31 July 2022

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.

Statement of Principal Accounting Policies (Continued) for the year ended 31 July 2022

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 £10,000 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 2022

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 £10,000 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.

Statement of Principal Accounting Policies (Continued) for the year ended 31 July 2022

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 2022

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 Financial Position 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.

Statement of Principal Accounting Policies (Continued)

for the year ended 31 July 2022

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 2022 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.

Notes to the Financial Statements

for the year ended 31 July 2022

1 Tuition fees and education contracts

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Full-time home and EU students	147,501	142,773	143,071	140,027
Full-time international students	190,084	190,084	128,959	128,959
Part-time students	8,530	8,530	7,707	7,707
Short course fees	3,430	3,430	3,950	3,950
Other fees and support grants	3,692	3,692	1,611	1,611
Education contracts	8,337	8,337	6,721	6,721
	361,574	356,846	292,019	288,975

2 Funding body grants

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Recurrent grant Revenue				
Office for Students	21,991	21,991	26,135	26,135
Research England	36,381	36,381	34,933	34,933
Capital				
Office for Students	-	-	1,678	1,678
Research England	3,865	3,865	3,884	3,884
Specific grants Revenue				
Office for Students	1,922	1,922	1,091	1,091
Research England	2,003	2,003	2,438	2,438
Capital				
Office for Students	1,730	1,730	260	260
Research England	-	-	1,207	1,207
Higher Education Innovation Fund				
Research England	5,332	5,332	4,729	4,729
	73,224	73,224	76,355	76,355

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

3 Research grants and contracts	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Research councils	39,592	39,590	36,594	36,594
Research charities	40,876	40,771	39,391	39,391
Government (UK and overseas)	24,522	24,491	24,058	23,875
Industry and commerce	16,866	16,588	14,492	14,204
Other	1,526	1,460	1,687	1,689
	123,382	122,900	116,222	115,753

Included within Research grants and contracts above are capital grants of:

	2,249	2,249	2,882	2,882
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4 Other income	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Residences, catering and conferences	21,305	21,127	12,952	12,778
Other services rendered	7,077	7,491	5,584	5,832
Health Authorities	11,719	11,719	12,292	12,292
Other revenue income	16,575	13,220	12,373	10,134
Other capital income	13,219	13,219	4,282	4,282
	69,895	66,776	47,483	45,318

5 Investment income	Notes	Year ended 31 July 2022		Year ended 31 July 2021	
		Consolidated	Institution	Consolidated	Institution
		£'000	£'000	£'000	£'000
Investment income on expendable endowments	22	206	206	103	103
Investment income on permanent endowments	22	501	501	259	259
Investment income on restricted reserves	23	-	-	-	-
Other investment income		1,461	1,456	677	677
Net return on pension scheme	31	-	-	141	141
		2,168	2,163	1,180	1,180

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

6 Donations and endowments		Year ended 31 July 2022		Year ended 31 July 2021	
		Consolidated	Institution	Consolidated	Institution
		£'000	£'000	£'000	£'000
New endowments	22	1,102	1,102	152	152
Donations with restrictions	23	1,623	1,172	1,276	1,456
Unrestricted donations		1,560	1,556	585	582
		4,285	3,830	2,013	2,190

Income donated for capital expenditure: **149** **149** - -

Donations income includes donations in kind totalling £899,232 (2021: £Nil) of which £149,232 (2021: £Nil) is funding for capital projects.

7 Grant and Fee Income		Year ended 31 July 2022		Year ended 31 July 2021	
		Consolidated	Institution	Consolidated	Institution
		£'000	£'000	£'000	£'000
The source of grant and fee income, included in notes 1 to 3 is as follows:					
OfS (Grant income from the OfS)	2	25,643	25,643	29,164	29,164
Other bodies (Grant income from other bodies)	2	47,581	47,581	47,191	47,191
Research awards (Fee income for research awards (exclusive of Vat))	1&3	6,136	6,136	6,036	6,036
Non-qualifying (Fee income from non-qualifying courses (exclusive of Vat))	1	12,258	12,258	12,282	12,282
Taught (Fee income for taught awards (exclusive of Vat))	1	345,377	340,649	275,717	272,673
		436,995	432,267	370,390	367,346

Fee income above consists of tuition fee income net of fee waivers. Research awards fee income includes £2,196,956 (2021: £2,016,280) of tuition fees funded from research grants (note 3)

Notes to the Financial Statements (Continued) for the year ended 31 July 2022

8 Staff costs

	Notes	Year ended 31 July 2022		Year ended 31 July 2021	
		Consolidated	Institution	Consolidated	Institution
		£'000	£'000	£'000	£'000
Staff costs:					
Salaries		239,639	235,984	225,168	222,603
Social security costs		24,721	24,502	22,962	22,775
Movement in holiday pay accrual		(247)	(247)	(48)	(48)
Other pension costs		41,261	41,081	38,492	38,302
Compensation for loss of office		798	798	3,923	3,923
		<u>306,172</u>	<u>302,118</u>	<u>290,497</u>	<u>287,555</u>
Pension provision movements:					
Movement on USS provision	20	95,235	95,235	3,772	3,772
		<u>95,235</u>	<u>95,235</u>	<u>3,772</u>	<u>3,772</u>
		<u>401,407</u>	<u>397,353</u>	<u>294,269</u>	<u>291,327</u>

Compensation for loss of office:

	2022 Consolidated	2021 Consolidated
Total amount of compensation for loss of office	£ 797,748	£ 3,922,838
Number of people to whom this was payable	131	309

Average FTE staff numbers by major category:

	2022 Consolidated No.	2021 Consolidated No.
Academic, education and research	2,357	2,309
Professional services	1,597	1,518
Technical services	260	260
Operational services	291	279
	<u>4,505</u>	<u>4,366</u>

Notes to the Financial Statements (Continued) for the year ended 31 July 2022

8 Staff costs (continued)

Remuneration of the President and Principal:

Professor Colin Bailey

	2022 £	2021 £
Emoluments:		
Basic Salary	316,180	300,000
Benefits in kind - taxable		
Utilities, service charge and furniture in Principal's accommodation	10,708	9,952
Taxable accommodation	400	400
Total remuneration before pension contributions	<u>327,288</u>	<u>310,352</u>
Pension Contributions to USS	17,653	6,000
Total remuneration including pension contributions	<u>344,941</u>	<u>316,352</u>

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 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. Professor Bailey's salary remains close to the median compared to other Russell Group universities.

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

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. In 2017 the University purchased certain items of furniture for the provided accommodation at a total cost of £13,290. The financial benefit of the furniture to Professor Bailey is spread evenly over the five years of his initial term of employment.

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 2021/22 was 6.3%, compared to the full contribution rate of 21.6%.

This note shows the relationship, expressed as a multiplier, between the President and Principal's emoluments and the median value for all staff employed by the University for the past two years. The multipliers for 2020/21 reflect the fact that certain operations at the University, such as catering and in-person events, were temporarily scaled back because of the Coronavirus pandemic, while several deliberate appointments were made into senior roles to support delivery of the Strategy. The multipliers for 2021/22 remain in line with those for 2019/20 as operations have returned to normal.

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:	2022 Median	2021 Median
Basic Salary (median calculated as full-time equivalent for the salaries of all staff)	8.6	8.3
Total remuneration (median calculated as full-time equivalent for the remuneration of all staff)	7.9	7.3

Trustees (Council Members)

The Trustees neither received nor waived any emoluments during the year (2021: £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 2022 one Trustee (2021: 1) was reimbursed a total of £124 (2021: £113).

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

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.

	2022 £	2021 £
Emoluments:		
Salary	2,224,523	2,116,174
Benefits in kind	11,108	10,352
Severance	-	-
Total remuneration before pension contributions	2,235,631	2,126,526
Pension Contributions to USS	291,461	231,437
Total remuneration including pension contributions	2,527,092	2,357,963

The number of staff who earned a basic salary of over £100,000 in the year

	2022 No.	2021 No.
£100,000 - £104,999	42	28
£105,000 - £109,999	20	24
£110,000 - £114,999	26	27
£115,000 - £119,999	13	7
£120,000 - £124,999	9	7
£125,000 - £129,999	4	5
£130,000 - £134,999	7	6
£135,000 - £139,999	8	7
£140,000 - £144,999	7	5
£145,000 - £149,999	3	1
£150,000 - £154,999	1	3
£155,000 - £159,999	1	2
£160,000 - £164,999	1	1
£165,000 - £169,999	1	0
£175,000 - £179,999	1	0
£180,000 - £184,999	0	2
£185,000 - £189,999	3	0
£195,000 - £199,999	1	1
£300,000 - £304,999	0	1
£315,000 - £319,999	1	0
	149	127

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

Notes to the Financial Statements (Continued) for the year ended 31 July 2022

9 Interest and other finance costs

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Loan interest	7,285	6,515	7,324	6,509
Finance lease interest	1	1	1	1
Net charge on pension schemes	1,009	1,009	477	477
Other	-	-	1	1
	8,295	7,525	7,803	6,988

10 Analysis of total expenditure by activity

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Academic and related expenditure	263,997	260,199	232,094	229,634
Administration and central services	97,486	97,486	96,006	96,010
Premises	40,835	40,223	38,342	37,735
Residences, catering and conferences	22,908	22,068	18,516	17,860
Research grants and contracts	101,841	101,758	97,412	97,383
Pension Provision	95,235	95,235	3,772	3,772
Other expenses	8,653	6,389	7,744	6,028
	630,955	623,358	493,886	488,422

	2022	2021
	Consolidated	Consolidated
	£'000	£'000

Other operating expenses include:

External auditor's remuneration in respect of audit services	214	224
External auditor's remuneration in respect of non-audit services	-	-
Operating lease rentals		
Land and buildings	8,519	8,369
Other	566	636

Notes to the Financial Statements (Continued) for the year ended 31 July 2022

10 Analysis of total expenditure by activity (continued)

Access and Participation

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Access Investment	1,044	1,044	887	887
Financial Support	9,093	9,093	9,126	9,126
Support for Disabled Students	980	980	769	769
Research and Evaluation	90	90	88	88
Total Spend	11,207	11,207	10,870	10,870
Of which staff costs	1,472	1,472	1,352	1,352

A link to Queen Mary's Access and Participation Plan 2021/22 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 costs disclosed in the Access and Participation note include central expenditure incurred delivering the commitments outlined in the plan, as well as expenditure on specific projects within the 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 staff time 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 the introduction of Access to Queen Mary and QM Futures. In addition, the investment includes discipline-specific activity delivered by the Faculties.

Access spend has increased compared to 2020/2021, 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.

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

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 £20k per annum receive a bursary of £1,700 per annum and students with a household income of between £20k and £35k receive £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 2021/22 we distributed bursaries of £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 (total support £63k in 2021/22), and a targeted fund for Care Leavers and Estranged students (total support £61k in 2021/22). In addition, there is a Financial Assistance Fund to which all students experiencing financial hardship can apply. Over £200k was distributed through this Fund in 2021/22.

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 increased by 27% compared with 2020/21.

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.

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. For example, this figure includes two funded student internship positions in the Faculty of Medicine and Dentistry, for students who self-identify as living with neurodiverse conditions to explore the needs of this population and review our support offering.

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 2022

11 Taxation

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Current tax				
Current tax expense	777	777	758	758
Current tax expense	<u>777</u>	<u>777</u>	<u>758</u>	<u>758</u>
Deferred tax	153	-	(624)	-
Total tax expense	<u>930</u>	<u>777</u>	<u>134</u>	<u>758</u>

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.

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

12 Intangible Assets

	Software £'000	Assets in the Course of Construction £'000	Total £'000
Consolidated and Institution			
Cost			
As at 1 August 2021	29,614	334	29,948
Additions	-	1,130	1,130
Transfers	111	(111)	-
Disposals	-	-	-
As at 31 July 2022	29,725	1,353	31,078
Amortisation			
As at 1 August 2021	24,865	-	24,865
Charge for the year	1,460	-	1,460
Disposals	-	-	-
As at 31 July 2022	26,325	-	26,325
Net book value			
As at 31 July 2022	3,400	1,353	4,753
As at 31 July 2021	4,749	334	5,083

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

13 Tangible 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
Consolidated						
Cost or valuation						
As at 1 August 2021	558,689	56,276	34,693	113,513	30,630	793,801
Additions	-	-	-	18	54,965	54,983
Transfers	22,564	14,987	4,615	10,340	(52,506)	-
Impairment	-	-	-	-	-	-
Disposals	-	-	(3,760)	(2,356)	-	(6,116)
As at 31 July 2022	581,253	71,263	35,548	121,515	33,089	842,668
Depreciation						
As at 1 August 2021	49,416	14,775	18,453	86,730	-	169,374
Charge for the year	8,841	3,167	2,597	10,754	-	25,359
Disposals	-	-	(3,760)	(2,356)	-	(6,116)
As at 31 July 2022	58,257	17,942	17,290	95,128	-	188,617
Net book value						
As at 31 July 2022	522,996	53,321	18,258	26,387	33,089	654,051
As at 31 July 2021	509,273	41,501	16,240	26,783	30,630	624,427
Institution						
Cost or valuation						
As at 1 August 2021	551,309	56,276	29,622	109,771	30,630	777,608
Additions	-	-	-	-	54,965	54,965
Transfers	22,564	14,987	4,615	10,340	(52,506)	-
Impairment	-	-	-	-	-	-
Disposals	-	-	(3,760)	(2,356)	-	(6,116)
As at 31 July 2022	573,873	71,263	30,477	117,755	33,089	826,457
Depreciation						
As at 1 August 2021	48,382	14,776	16,088	84,527	-	163,773
Charge for the year	8,693	3,167	2,259	10,205	-	24,324
Disposals	-	-	(3,760)	(2,356)	-	(6,116)
As at 31 July 2022	57,075	17,943	14,587	92,376	-	181,981
Net book value						
As at 31 July 2022	516,798	53,320	15,890	25,379	33,089	644,476
As at 31 July 2021	502,927	41,500	13,534	25,244	30,630	613,835

Notes to the Financial Statements (Continued) for the year ended 31 July 2022

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 2022	<u>-</u>	<u>53,320</u>	<u>-</u>	<u>501</u>	<u>-</u>	<u>53,821</u>
As at 31 July 2021	<u>-</u>	<u>41,500</u>	<u>-</u>	<u>635</u>	<u>-</u>	<u>42,135</u>

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 2022 includes land with a cost of £290,373,000 (2021: £280,980,000) which is not depreciated.

Consolidated fixtures, fittings and equipment include assets previously held under finance leases as follows:

	31 July 2022 Consolidated £'000	31 July 2021 Consolidated £'000
Cost	3,002	3,002
Accumulated depreciation	(2,367)	(2,334)
Charge for year	(134)	(33)
Net book value	<u>501</u>	<u>635</u>

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.

Notes to the Financial Statements (Continued) for the year ended 31 July 2022

14 Non-Current Investments

	Notes	Subsidiary companies £'000	Other Investments £'000	Shared Equity Property £'000	Total £'000
Consolidated					
Restated as at 1 August 2021	34	-	45,912	1,000	46,912
Additions		-	53,860	-	53,860
Disposals		-	(51,585)	-	(51,585)
Change in fair value - endowment investment portfolio		-	1,511	-	1,511
Movements on cash balances in portfolio		-	(2,511)	-	(2,511)
Change in fair value of other investments		-	(2,151)	-	(2,151)
As at 31 July 2022		<u>-</u>	<u>45,036</u>	<u>1,000</u>	<u>46,036</u>
Institution					
Restated as at 1 August 2021	34	3,516	45,715	1,000	50,231
Additions		-	53,860	-	53,860
Disposals		-	(51,585)	-	(51,585)
Change in fair value - endowment investment portfolio		-	1,511	-	1,511
Movements on cash balances in portfolio		-	(2,511)	-	(2,511)
Change in fair value of other investments		-	(2,023)	-	(2,023)
As at 31 July 2022		<u>3,516</u>	<u>44,967</u>	<u>1,000</u>	<u>49,483</u>

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 £297,000 (2021: £342,000).

Restatement of opening balances

The opening balances for the Consolidated Group and Institution have been adjusted to reflect the misclassification of £13,053,000 previously disclosed in the Financial Statements at 31 July 2021 as investments within current assets (£10,038,000) and cash and cash equivalents (£3,015,000). The entire amount has been reclassified as other non-current investments within non-current assets. Full details of the prior period adjustment are included in note 34.

Notes to the Financial Statements (Continued) for the year ended 31 July 2022

14 Non-Current Investments (continued)

Notes	As at 31 July	As at 31 July	As at 31 July	As at 31 July
	2022	2022	2021	2021
34	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	Restated £'000	Restated £'000
Other non-current investments consist of:				
Listed shares				
hVIVO plc (was Open Orphan)	438	379	961	832
Actual Experience plc	60	59	2,180	2,132
Poolbeg Pharma plc	67	58	149	129
	<u>565</u>	<u>496</u>	<u>3,290</u>	<u>3,093</u>
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	-	-
Kinomica Limited	720	720	720	720
Biophilica Limited	50	50	15	15
Amber Therapeutics Limited	165	165	165	165
DAACI Holdings Limited	500	500	-	-
CVCP Properties plc	53	53	53	53
	<u>2,095</u>	<u>2,095</u>	<u>1,520</u>	<u>1,520</u>
Managed Investment Portfolio				
Equities	17,060	17,060	17,145	17,145
Fixed interest stocks	1,959	1,959	14,545	14,545
Other investments	22,853	22,853	6,397	6,397
Cash holdings	504	504	3,015	3,015
	<u>42,376</u>	<u>42,376</u>	<u>41,102</u>	<u>41,102</u>
	<u>45,036</u>	<u>44,967</u>	<u>45,912</u>	<u>45,715</u>

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

Restatement of investment holdings in prior year

The investments held as the Managed Investment Portfolio for the Consolidated Group and Institution as at 31 July 2021 have been restated to reflect the misclassification of £13,053,000 as investments within current assets (Note 17 - £10,038,000) and cash and cash equivalents (Note 24 - £3,015,000) in the prior year. The entire amount has been reclassified as other non-current investments. Full details of the prior period adjustment are included in note 34.

Notes to the Financial Statements (Continued) for the year ended 31 July 2022

15 Investments in associates

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
As at 1 August 2021	362	298	756	298
Additions	-	-	-	-
Disposals	-	-	-	-
Transfer from non-current investments	-	-	-	-
Share of profit/(loss)	(135)	-	(238)	-
Share of Corporation Tax	(2)	-	(156)	-
Change in reserves	25	-	-	-
	<u>250</u>	<u>298</u>	<u>362</u>	<u>298</u>
As at 31 July 2022	250	298	362	298

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

	Country of Registration	Equity Holding	Proportion held	Principal Activity
Biomim 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
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Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

16 Trade and other receivables

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Amounts falling due within one year:				
Research grant receivables	46,455	46,455	43,545	43,545
Other trade receivables	33,080	32,879	26,166	26,060
Other receivables	724	670	458	452
Prepayments and accrued income	11,953	11,704	9,225	8,465
Amounts due from subsidiary companies	-	6,089	-	7,080
Amounts due from associate companies	103	103	34	34
	92,315	97,900	79,428	85,636
Amounts falling due after one year:				
Other receivables	2,908	-	3,061	-
	95,223	97,900	82,489	85,636

Amounts due from associate companies are trading balances.

Amounts due from subsidiaries include inter-company balances of £6,020,648 (2021: £6,717,482) with QMUL Malta Ltd and £NIL (2021: £121,675) with Queen Mary Innovation Ltd which are repayable on demand. Repayment of the inter-company balance with QMUL Malta commenced in the 2021/22 financial year. The remaining £68,759 (2021: £240,411) is a trading balance.

17 Current Investments

Notes	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	Institution £'000	Consolidated Restated £'000	Institution Restated £'000
34				
As at 1 August 2021	84,505	84,505	89,509	89,509
Movements on deposits	69,998	69,998	(5,004)	(5,004)
As at 31 July 2022	154,503	154,503	84,505	84,505
Current investments consist of:				
Bank Deposits	154,503	154,503	84,505	84,505
	154,503	154,503	84,505	84,505

Restatement of prior year balances

The balances and movements for the Consolidated Group and Institution as at 31 July 2021 have been restated to reflect the misclassification of £10,038,000 as investments within current assets in the prior year. The entire amount has been reclassified as other non-current investments within non-current investments. Full details of the prior period adjustment are included in note 34.

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

18 Creditors: amounts falling due within one year

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Secured Loans	898	-	854	-
Unsecured loans	1,085	1,085	1,051	1,051
Obligations under finance leases	133	133	133	133
Trade payables	31,653	31,599	25,264	25,135
Social security and other taxation payable	7,136	7,105	6,113	6,091
Research grants/contracts in advance	65,648	65,648	60,165	60,165
Accruals and deferred income	70,109	68,856	47,109	46,006
Amounts owed to subsidiaries	-	3,740	-	3,624
Other creditors	11,203	10,301	7,917	6,970
	187,865	188,467	148,606	149,175

Amounts due to subsidiaries includes £3,135,584 (2021: £3,139,551) due to QMW Developments Ltd which is repayable on demand. The remaining £604,590 (2021: £484,099) is a trading balance.

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 2022		Year ended 31 July 2021	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Donations	434	-	-	-
Grant income	5,767	5,767	1,855	1,855
Tuition income	6,955	6,955	9,856	9,856
Other income	14,087	14,087	6,376	6,204
	27,243	26,809	18,087	17,915

Notes to the Financial Statements (Continued) for the year ended 31 July 2022

19 Creditors: amounts falling due after more than one year

	Note	Year ended 31 July 2022		Year ended 31 July 2021	
		Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Obligations under finance leases		313	313	446	446
Secured loans		13,289	-	14,186	-
Unsecured loans and notes		194,745	194,745	235,356	235,356
Other creditors		10,556	10,556	10,981	10,981
		218,903	205,614	260,969	246,783
Analysis of secured and unsecured loans and notes:					
Due within one year or on demand	18	1,983	1,085	1,905	1,051
Due between one and two years		2,065	1,121	1,983	1,085
Due between two and five years		6,800	3,649	6,486	3,499
Due in five years or more		199,169	189,975	241,073	230,772
Due after more than one year		208,034	194,745	249,542	235,356
Total secured and unsecured loans		210,017	195,830	251,447	236,407
Unsecured loans repayable by 2042		48,878	48,878	49,930	49,930
Unsecured notes repayable by 2049		105,000	105,000	105,000	105,000
Fair value movement on unsecured notes repayable by 2049		(13,048)	(13,048)	26,477	26,477
Unsecured notes repayable by 2058		55,000	55,000	55,000	55,000
Secured loans repayable by 2034		14,187	-	15,040	-
		210,017	195,830	251,447	236,407

Notes to the Financial Statements (Continued) for the year ended 31 July 2022

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	42,409	2042	Fixed 5.01%	QMUL
Lloyds Bank PLC	6,469	2042	Variable 0.30% above SONIA rate	QMUL
	48,878			

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	(13,048)			
	146,952			

Secured bank loan:

Lender	Amount £'000	Term	Interest rate	Borrower
Barclays Bank PLC	14,187	2034	Fixed 5.27%	Queen Mary Bioenterprises Ltd
Total loans and notes	210,017			

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 2022 is £14,186,593 (2021: £15,040,443). The loan is secured on the Innovation Centre which has a net book value at 31 July 2022 of £8,959,200 (2021: £9,641,800).

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

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 2021	68,915	-	74	68,989
Contributions paid for deficit recovery plan	(3,699)	-	(37)	(3,736)
Change in assumptions	98,934	-	-	98,934
Unwinding of discount	606	-	-	606
Actuarial gain	-	-	(527)	(527)
Net return on assets	-	-	403	403
As at 31 July 2022	164,756	-	(87)	164,669

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:

	2022	2021
Discount rate	3.32%	0.88%
Salary inflation year 1	3.50%	1.50%
Salary inflation after year 1	2.50%	2.50%
Headcount increase	0.00%-8.42%	0.00%-7.90%

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

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 2022	Approximate impact £'000
1.0% pa decrease in discount rate to 2.32%	13,985
1.0% pa increase in discount rate to 4.32%	(12,482)
1.0% pa decrease in salary inflation to 2.5% / 1.5%	(12,679)
1.0% pa increase in salary inflation to 4.5% / 3.5%	13,942
1.0% increase in staff changes to 1.0% - 9.42%	14,079
1.0% decrease in staff changes to -1.0% - 7.42%	(12,783)

Defined Benefit Pension Obligation

The defined pension benefit obligation at 31 July 2021 related to the actuarial deficit on the London Hospital and St Bartholomew's Hospital medical colleges pension scheme. A full actuarial valuation of the scheme was carried out at 31 July 2018 and revealed a funding shortfall of £358,000.

Under the recovery plan dated 31 October 2019 the University agreed to pay contributions with the view to eliminating the shortfall by 31 July 2024. In accordance with the Scheme's current schedule of contributions, the University is expected to pay contributions of £38,350 over the next accounting period.

21 Other Provisions

Consolidated and Institution	Other Provisions £'000
As at 1 August 2021	100
Utilised in year	(100)
Additions in year	40
Unused amounts reversed	-
As at 31 July 2022	40

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

22 Endowment Reserves

Restricted net assets relating to endowments are as follows:

Consolidated	Restricted permanent endowments	Unrestricted permanent endowments	Expendable endowments	2022	2021
	£'000	£'000	£'000	£'000	£'000
As at 1 August 2021					
Capital	25,670	2,378	-	28,048	25,119
Accumulated income	1,562	-	11,721	13,283	12,138
	<u>27,232</u>	<u>2,378</u>	<u>11,721</u>	41,331	<u>37,257</u>
Recategorisation - capital	(13)	-	-	(13)	-
Recategorisation - accumulated income	(2)	-	15	13	-
	<u>27,217</u>	<u>2,378</u>	<u>11,736</u>	41,331	<u>37,257</u>
New endowments	-	-	1,102	1,102	152
Increase in market value of investments	795	69	362	1,226	4,429
Management fee applied to Capital	(194)	(17)	(87)	(298)	(341)
Investment income	461	40	206	707	362
Expenditure	(149)	(40)	(491)	(680)	(550)
Repayment of Benevolence Loans	51	-	-	51	22
Total endowment comprehensive income for the year	<u>964</u>	<u>52</u>	<u>1,092</u>	2,108	<u>4,074</u>
As at 31 July 2022	<u>28,181</u>	<u>2,430</u>	<u>12,828</u>	43,439	<u>41,331</u>
Represented by:					
Capital	26,258	2,430	-	28,688	28,048
Accumulated income	1,923	-	12,828	14,751	13,283
	<u>28,181</u>	<u>2,430</u>	<u>12,828</u>	43,439	<u>41,331</u>
Analysis by type of purpose:					
Centre for Commercial Law Studies	18,633	-	1,604	20,237	19,608
Lectureships	567	-	75	642	619
Scholarships and bursaries	5,525	-	1,819	7,344	7,038
Research support	696	1,926	6,049	8,671	7,712
Prize funds	2,329	-	25	2,354	2,276
General	431	504	3,256	4,191	4,078
	<u>28,181</u>	<u>2,430</u>	<u>12,828</u>	43,439	<u>41,331</u>
Analysis by asset:					
Non-current asset investments				42,376	38,086
Cash & cash equivalents				1,063	3,245
				43,439	<u>41,331</u>

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

23 Restricted Reserves

Reserves with restrictions are as follows:

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
As at 1 August 2021	2,566	1,984	2,940	2,246
Transfers	-	-	-	-
	<u>2,566</u>	<u>1,984</u>	2,940	2,246
New grants	1,311	571	798	694
New donations	1,623	1,172	1,276	1,456
Expenditure	(1,651)	(980)	(2,448)	(2,412)
	<u>1,283</u>	<u>763</u>	(374)	(262)
Total restricted comprehensive income for the year	1,283	763	(374)	(262)
As at 31 July 2022	<u>3,849</u>	<u>2,747</u>	<u>2,566</u>	<u>1,984</u>
Analysis of restricted funds by type of purpose:				
	£'000	£'000	£'000	£'000
Scholarships and bursaries	1,037	302	500	235
Research support	794	427	553	420
Other	2,018	2,018	1,513	1,329
	<u>3,849</u>	<u>2,747</u>	<u>2,566</u>	<u>1,984</u>

24 Cash and cash equivalents

	Notes	As at 1 August 2021	Cash flows	As at 31 July 2022
		Restated £'000	£'000	£'000
Consolidated				
Cash and cash equivalents	34	162,687	24,318	187,005
Bank overdraft		-	-	-
		<u>162,687</u>	<u>24,318</u>	<u>187,005</u>
Institution				
Cash and cash equivalents	34	158,486	23,656	182,142
Bank overdraft		-	-	-
		<u>158,486</u>	<u>23,656</u>	<u>182,142</u>

Restatement of opening balance of cash and cash equivalents

The opening balance for the Consolidated Group and Institution as at 31 July 2021 has been restated to reflect the misclassification of £3,015,000 as cash and cash equivalents in the prior year. The entire amount has been reclassified as other non-current investments within non-current investments (Note 14). Cash and cash equivalents has decreased by £3,015,000 from £165,702,000 to £162,687,000 (Consolidated) and from £161,501,000 to £158,486,000 (Institution). Full details of the prior period adjustment are included in note 34.

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

25 Consolidated reconciliation of net debt

	Note	As at 1 August 2021 Restated £'000	Cash Flows £'000	Other non- cash changes £'000	Change in fair value £'000	As at 31 July 2022 £'000
Analysis of net debt:						
Cash and cash equivalents	34	162,687	24,318	-	-	187,005
Current investments - deposits		84,505	69,998	-	-	154,503
Borrowings: amounts falling due within one year						
Secured loans		(854)	854	(898)	-	(898)
Unsecured loans		(1,051)	1,051	(1,085)	-	(1,085)
Obligations under finance leases		(133)	133	(133)	-	(133)
		<u>(2,038)</u>	<u>2,038</u>	<u>(2,116)</u>	<u>-</u>	<u>(2,116)</u>
Borrowings: amounts falling due after more than one year						
Secured loans		(14,186)	-	897	-	(13,289)
Unsecured loans		(235,356)	-	1,086	39,525	(194,745)
Obligations under finance leases		(446)	-	133	-	(313)
		<u>(249,988)</u>	<u>-</u>	<u>2,116</u>	<u>39,525</u>	<u>(208,347)</u>
Net debt		<u>(4,834)</u>	<u>96,354</u>	<u>-</u>	<u>39,525</u>	<u>131,045</u>

Restatement of opening balance of cash and cash equivalents

The opening balance for cash and cash equivalents as at 31 July 2021 has been restated to reflect the misclassification of £3,015,000 as cash and cash equivalents in the prior year. The entire amount has been reclassified as other non-current investments within non-current investments (Note 14). Cash and cash equivalents has decreased by £3,015,000 from £165,702,000 to £162,687,000. Further details of the prior period adjustment are included in note 34.

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

26 Financial Instruments

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	Institution	Consolidated Restated	Institution Restated
	£'000	£'000	£'000	£'000
Financial assets				
Measured at fair value through income and expenditure				
Managed Investment Portfolio	42,376	42,376	41,102	41,102
Listed non-current investments	565	496	3,093	3,093
Measured at amortised cost				
Cash and cash equivalents	187,005	182,142	162,687	158,486
Bank deposits	154,503	154,503	84,505	84,505
Measured at undiscounted amount receivable				
Research grant receivables	46,455	46,455	43,545	43,545
Trade and other receivables	36,712	33,549	29,685	26,512
Equity instruments measured at cost less impairment				
Shares not listed	2,095	2,095	1,521	5,037
Investments in Associates	250	298	362	298
	<u>469,961</u>	<u>461,914</u>	<u>366,500</u>	<u>362,578</u>
Financial liabilities				
Measured at fair value through income and expenditure				
Unsecured notes	83,452	83,452	122,977	122,977
Debt instruments measured at amortised cost				
Unsecured notes	63,500	63,500	63,500	63,500
Loans	63,065	48,878	64,970	49,930
Finance Leases	446	446	446	446
Measured at undiscounted amount payable				
Trade and other payables	31,653	31,599	25,264	25,135
	<u>242,116</u>	<u>227,875</u>	<u>277,157</u>	<u>261,988</u>

Restatement of prior year balances

The prior year balance as at 31 July 2021 for cash and cash equivalents has been restated to reflect the misclassification of £3,015,000 as cash and cash equivalents. The entire amount has been reclassified as part of the Managed Investment Portfolio within other non-current investments (Note 14).

Cash and cash equivalents has decreased by £3,015,000 from £165,702,000 to £162,687,000 (Consolidated) and from £161,501,000 to £158,486,000 (Institution). The Managed Investment Portfolio has increase by £3,015,000 from £38,087,000 to £41,102,000 (Consolidated and Institution).

Further details of the prior period adjustment are included in note 34.

Notes to the Financial Statements (Continued) for the year ended 31 July 2022

27 Capital and other commitments

Provision has not been made for the following capital commitments:

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Commitments contracted for	17,302	17,302	5,371	5,371

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 2021 the value of the loan balance stood at £14,186,593 (2021: £15,040,443). 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 2022			As at 31 July 2021
	Land and Buildings £'000	Plant and Machinery £'000	Total £'000	Total £'000
Payable during the year	8,519	566	9,085	9,005
Future minimum lease payments due:				
Not later than 1 year	8,309	234	8,543	8,614
Later than 1 year and not later than 5 years	31,769	219	31,988	32,766
Later than 5 years	80,782	-	80,782	82,674
Total lease payments due	120,860	453	121,313	124,054

Notes to the Financial Statements (Continued) for the year ended 31 July 2022

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:

	Country of Registration	Equity Holding	Proportion held	Principal Activity
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:

	Country of Registration	Equity Holding	Proportion held	Principal Activity
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:

	Country of Registration	Equity Holding	Proportion held	Principal Activity
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. The Paris subsidiary had not yet commenced trading at the date of this report.

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

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:

	At 31 July 2022		
	USS %	SAUL %	NHS %
Employees' contributions - final salary scheme	N/A	N/A	5 - 14.5*
Employees' contributions - career revalued benefits scheme	9.8	6.0	5 - 14.5*
Employer's contributions	21.6	19.0	20.7

	At 31 July 2021		
	USS %	SAUL %	NHS %
Employees' contributions - final salary scheme	N/A	N/A	5 - 14.5*
Employees' contributions - career revalued benefits scheme	9.6	6.0	5 - 14.5*
Employer's contributions	21.1	16.0	20.7

* tiered contribution rates depending on salary

	31 July 2022		31 July 2021	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Employer Pension Contributions				
Contribution to USS	32,845	32,686	30,831	30,671
Contribution to SAUL	5,180	5,180	4,589	4,583
Contribution to NHS	3,232	3,215	3,068	3,048
Contribution to other pension schemes	4	0	4	0
	41,261	41,081	38,492	38,302

	31 July 2022		31 July 2021	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Statement of comprehensive income				
- net pension cost in year				
USS	128,687	128,528	35,077	34,918
SAUL	5,180	5,180	4,588	4,583
NHS	3,232	3,215	3,068	3,048
LHMC	(124)	(124)	(139)	(139)
Other	4	-	4	-
	136,979	136,799	42,598	42,410

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	(527)	(527)	21	21
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Statement of Financial Position - Pension scheme liability (note 20)

USS	164,756	164,756	68,915	68,915
LHMC	(87)	(87)	74	74
	164,669	164,669	68,989	68,989

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

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 cost charged to the Consolidated Statement of Comprehensive Income and Expenditure is £128,687,000 (2021: £35,077,000) including the movement on the deficit recovery provision of £95,841,619 charge (2021: £4,246,869).

Deficit recovery contributions due within one year for the university are £10,616,509 (2021: £8,600,632)

At 31 July 2022, 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

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

31 Pension Schemes (continued)

(i) USS (continued)

The current life expectancies on retirement at age 65 are:

	2022	2021
Males currently aged 65 years	23.9	24.6
Females currently aged 65 years	25.5	26.1
Males currently aged 45 years	25.9	26.6
Females currently aged 45 years	27.3	27.9

A new 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 2022 deficit recovery liability reflects this plan.

The liability figures have been produced using the following assumptions:

	2022	2021
	%	%
Discount rate	3.32	0.88
Pensionable salary growth	2.50	2.50

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.

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

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 Technical Provisions 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.

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

31 Pension Schemes (continued)

(iii) NHS Pension Scheme

The University participates in the 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 permit 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).

An HM Treasury pension scheme valuation for funding purposes was carried out as at March 2012. The Scheme Regulations have been changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate. The contribution rate payable by the Institutions during the year ended 31 July 2018, was equal to 14.3% of the total pensionable salaries in accordance with the conclusion of the Government Actuary's report on the scheme.

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. An actuarial valuation of the scheme as at 31 July 2021 is currently underway but has not yet been formally agreed. A full actuarial valuation of the scheme was carried out at 31 July 2018 and revealed a funding shortfall of £358,000. Under the recovery plan dated 31 October 2019 the University has agreed to pay contributions with the view to eliminating the shortfall by 31 July 2024. In accordance with the Scheme's current schedule of contributions dated 31 October 2019, the University is expected to pay contributions of £38,350 over the next accounting period. Additionally, the University meets the ongoing running expenses of the scheme together with any PPF levies.

The movement in the (Deficit)/Surplus in the year was:

	Value at 31 July 2022 £000	Value at 31 July 2021 £000
Deficit in scheme at 1 August	(74)	(229)
Contribution by employer	37	37
Current service cost	(1)	(2)
Return on assets excluding interest income	(402)	141
Actuarial gain / (loss)	527	(21)
Surplus / (Deficit) in scheme at 31 July	<u>87</u>	<u>(74)</u>

Queen Mary has recognised the surplus at 31 July 2022 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. £124,000 has been credited to the Consolidated Statement of Income and Expenditure account in the year (2021: £118,000 credit).

(v) Defined contribution scheme

One of QMUL's subsidiaries offered a defined contribution scheme to its staff. The cost for the year was £4,364 (2021: £4,079).

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

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 2021-22	Director	QMSU Services Ltd	98	86	349	1
Sarah Cowls	Member of Council	Director					
Mr Adi Sawalha	The President of the Students' Union 2021-22	Chair of Trustees	Queen Mary Students' Union	31	2,592	214	-
Prof Colin Bailey	Principal	Director	The Russell Group of Universities	-	83	-	-
Prof Colin Bailey	Principal	Director	UCL Partners	135	-	2	-
Prof Colin Bailey	Principal	Board Member	Universities UK	-	53	-	-
Prof Colin Bailey	Principal	Trustee	UCAS	-	207	-	-
Prof Colin Bailey	Principal	Director and Board Member	UCEA	-	6	-	2
Ken Batty	Member of Council	Non-Executive Director	East London NHS Foundation Trust	1,269	220	318	4
Professor Alison Blunt	Member of Council	Trustee and Vice President	Royal Geographical Society	-	15	-	-
Prof Sir Mark Caulfield	Vice Principal	Non-Executive Director	Barts Health NHS Trust	10,133	3,463	3,581	70
Prof Sir Mark Caulfield	Vice Principal	Trustee	William Harvey Research Foundation	4	-	-	-

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

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	15	105	-	13
Prof Sir Mark Caulfield	Vice Principal	Consultant	Booz Allen Inc	3	-	3	-
Lord Clement-Jones CBE	Chairman	Board Member Corporate Finance Faculty of the Institute of Chartered Accountants in England and Wales	ICAEW	15	-	-	-
Sarah Cowsls	Member of Council	Trustee	University Schools Trust	1	-	-	-
Dr Sharon Ellis	Chief Operations Officer	Governor	Homerton NHS Foundation Trust	201	37	15	4
Celia Gough	Member of Council	Director	Veolia Group Companies	-	29	-	-
Isabelle Jenkins	Member of Council	Partner	PwC LLP	-	190	-	-
Ms Karen Willcox	Co-opted member of Remuneration Committee	Director					
Dr Philippa Lloyd	Vice Principal	Trustee	LHMC pension scheme	124	-	87	-
Dr Alix Pryde	Member of Council	Trustee	Institute of Physics	-	1	-	-

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

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 2022	Year ended 31 July 2021
		£'000	£'000
Primary Reserve Ratio:			
Expendable Net Assets			
Net Assets without donor restrictions	Statement of Financial Position - Unrestricted Income and Expenditure reserve	523,402	484,362
Net Assets with donor restrictions	Note 22 (Endowment Reserves) and Note 23 (Restricted Reserves)	47,288	43,897
Restricted in perpetuity	Note 22 (Endowment Reserves)	(30,611)	(29,610)
Other intangible assets	Note 12 (Intangible assets)	(4,753)	(5,083)
Property, Plant and Equipment	Note 13 (Tangible Assets) NBV at 31 July less the lease right-of-use assets below	(653,550)	(623,792)
Lease right-of-use assets	Note 13 (Tangible Assets)	(501)	(635)
Post employment pension liability	Note 20 (Pension Provisions)	164,669	68,989
Line of credit for long term purposes	Note 19 (Creditors: amounts falling due after more than one year)	210,017	251,447
Modify for post implementation debt not related to purchase of assets	Consolidated Statement of Comprehensive Income and Expenditure - Fair value movement in unsecured notes	-	(8,996)
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)	446	579
Related party receivable	Note 32 (Related Party Disclosures)	(4,569)	(2,625)
		251,838	178,533
Total Expenses and Losses Without Donor Restrictions			
Total Operating Expenses	Note 10 (Analysis of total expenditure by activity)	630,955	493,886
Other components of net periodic pension costs	Consolidated Statement of Comprehensive Income and Expenditure - Actuarial losses in respect of pension schemes	(527)	21
Investments, net of annual spending, gain /loss	(Gain)/ loss on investments	158	-
Other gains /losses	Fair value movement in unsecured notes and Note 15 (Investment in Associates)	(39,418)	394
		591,168	494,301

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

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	523,402	484,362
Total Net Assets with Donor Restrictions	Note 22 (Endowment Reserves) and Note 23 (Restricted Reserves)	47,288	43,897
Related party receivable	Note 32 (Related Party Disclosures)	(4,569)	(2,625)
		566,121	525,634

Modified Assets

Total assets	Statement of Financial Position - Current and Non-current Assets	1,142,167	1,006,923
Related party receivable	Note 32 (Related Party Disclosures)	(4,569)	(2,625)
		1,137,598	1,004,298

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	39,040	34,890
		39,040	34,890

Total Revenues and Gains Without Donor Restrictions

Total Operating Revenue and Other Additions	Consolidated Statement of Comprehensive Income and Expenditure - Total Income	634,528	535,272
Investment return appropriated for spending	Note 5 (Investment income)	(2,168)	(1,180)
Sale of fixed assets, gains (losses)	Consolidated Statement of Comprehensive Income and Expenditure - Loss on disposal of tangible assets	-	-
		632,360	534,092

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

34 Prior Period Restatement

The Managed Endowment Investment Portfolio is a Fixed Asset Investment Portfolio intended for retention by the University to support the activities of the Endowment Funds over the lifetime of the funds - as such the total assets of the portfolio should be disclosed in Non-current investments.

The prior year figures have been adjusted to reflect the misclassification of £13,053,000 from the Managed Endowment Investment Portfolio previously disclosed in the Financial Statements at 31 July 2021 for the Consolidated Group and Institution as investments within current assets (£10,038,000) and cash and cash equivalents (£3,015,000). The entire amount has been reclassified as non-current investments within non-current assets.

The prior period restatement affects the Statement of Financial Position; the Cash Flow; Note 14 *Non-current investments* - opening balances and analysis of holdings; Note 17 *Current investments* - opening balance and movements; Note 24 *Cash and cash equivalents* - opening cash balances for the Consolidated Group and Institution.

The prior year figures for Note 25 *Consolidated reconciliation of net debt* and note 26 *Financial Instruments* have also been restated to reflect the changes in cash and investments resulting from the misstatement and reclassification.

Additionally where appropriate within the notes, additions and disposals and movements in fair value have been disclosed separately where previously these amounts had been misstated and shown solely as a movement in fair value.

Restatement of Statement of Financial Position as at 31 July 2021

The effect on the Consolidated Group and Institution Statement of Financial Position is a reduction of £10,038,000 in current asset investments, a reduction of £3,015,000 in Cash and Cash Equivalents and an increase of £13,053,000 in non-current investments. Total net assets and total reserves are unchanged.

	Notes	Consolidated			Institution		
		31 July 2021 Reported £'000	31 July 2021 Restatement £'000	31 July 2021 Restated £'000	31 July 2021 Reported £'000	31 July 2021 Restatement £'000	31 July 2021 Restated £'000
Non-current assets							
Intangible assets	12	5,083	-	5,083	5,083	-	5,083
Tangible assets	13	624,427	-	624,427	613,835	-	613,835
Investments	14	33,859	13,053	46,912	37,178	13,053	50,231
Investments in associates	15	362	-	362	298	-	298
		663,731	13,053	676,784	656,394	13,053	669,447
Current assets							
Stock		458	-	458	458	-	458
Trade and other receivables	16	82,489	-	82,489	85,636	-	85,636
Investments	17	94,543	(10,038)	84,505	94,543	(10,038)	84,505
Cash and cash equivalents	24	165,702	(3,015)	162,687	161,501	(3,015)	158,486
		343,192	(13,053)	330,139	342,138	(13,053)	329,085
Less: Creditors: amounts falling due within one year	18	(148,606)	-	(148,606)	(149,175)	-	(149,175)
Net current assets/(liabilities)		194,586	(13,053)	181,533	192,963	(13,053)	179,910

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

34 Prior Period Restatement (continued)

Restatement of Statement of Financial Position as at 31 July 2021 (continued)

	Notes	Consolidated			Institution		
		31 July 2021	31 July 2021	31 July 2021	31 July 2021	31 July 2021	31 July 2021
		Reported	Restatement	Restated	Reported	Restatement	Restated
		£'000	£'000	£'000	£'000	£'000	£'000
Total assets less current liabilities		858,317	-	858,317	849,357	-	849,357
Creditors: amounts falling due after more than one year	19	(260,969)	-	(260,969)	(246,783)	-	(246,783)
Provisions							
Pension provisions	20	(68,989)	-	(68,989)	(68,989)	-	(68,989)
Other provisions	21	(100)	-	(100)	(100)	-	(100)
Total net assets		<u>528,259</u>	-	<u>528,259</u>	<u>533,485</u>	-	<u>533,485</u>
Restricted Reserves							
Income and expenditure reserve - endowment	22	41,331	-	41,331	41,331	-	41,331
Income and expenditure reserve - restricted	23	2,566	-	2,566	1,984	-	1,984
Unrestricted Reserves							
Income and expenditure reserve - unrestricted		484,367	-	484,367	490,170	-	490,170
		<u>528,264</u>	-	<u>528,264</u>	<u>533,485</u>	-	<u>533,485</u>
Non-controlling interest		(5)	-	(5)	-	-	-
Total Reserves		<u>528,259</u>	-	<u>528,259</u>	<u>533,485</u>	-	<u>533,485</u>

Restatement of Statement of Cash Flows as at 31 July 2021

The effect on the Consolidated Group and Institution *Statement of Cash Flows* of the reclassification of the cash balance held by the investment managers as part of the Endowment Portfolio and thus moving it from *Cash and Cash Equivalents* to *Other Non-current investments*, is a reduction of £3,015,000 in *Cash and Cash Equivalents* at end of the year. This comprises a reduction in the opening balance brought forward at 1 August 2020 of £1,754,000 and a reduction in cash flows in year to 31 July 2021 of £1,261,000.

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

34 Prior Period Restatement (continued)

Restatement of Statement of Cash Flows as at 31 July 2021 (continued)

	Consolidated			Institution		
	31 July 2021	31 July 2021	31 July 2021	31 July 2021	31 July 2021	31 July 2021
	Reported	Restatement	Restated	Reported	Restatement	Restated
	£'000	£'000	£'000	£'000	£'000	£'000
Net cash generated from operating activities after tax	90,379	-	90,379	88,244	-	88,244
Cash flows from investing activities						
Capital grant receipts	14,193	-	14,193	14,193	-	14,193
Disposal of non-current asset investments	1,293	-	1,293	1,293	-	1,293
Purchase of non-current asset investments	-	-	-	-	-	-
Cash movements on managed portfolio	1,598	(1,598)	-	1,598	(1,598)	-
Disposals proceeds	-	337	337	-	337	337
Investment income	1,180	-	1,180	1,180	-	1,180
Payments made to acquire tangible assets	(35,345)	-	(35,345)	(35,275)	-	(35,275)
Payments made to acquire intangible assets	(1,600)	-	(1,600)	(1,600)	-	(1,600)
Movements on bank deposits	5,004	-	5,004	5,004	-	5,004
Net cash (used by) investing activities	<u>(13,677)</u>	<u>(1,261)</u>	<u>(14,938)</u>	<u>(13,607)</u>	<u>(1,261)</u>	<u>(14,868)</u>
Cash flows from financing activities						
Loan interest	(7,844)	-	(7,844)	(7,029)	-	(7,029)
Interest element of finance lease	(1)	-	(1)	(1)	-	(1)
Endowment cash received	152	-	152	152	-	152
New unsecured loans	-	-	-	-	-	-
Repayments of amounts borrowed	(1,824)	-	(1,824)	(1,013)	-	(1,013)
Capital element of finance lease payments	(89)	-	(89)	(89)	-	(89)
Net cash (used by) financing activities	<u>(9,606)</u>	-	<u>(9,606)</u>	<u>(7,980)</u>	-	<u>(7,980)</u>
Increase in cash and cash equivalents in the year	<u>67,096</u>	<u>(1,261)</u>	<u>65,835</u>	<u>66,657</u>	<u>(1,261)</u>	<u>65,396</u>
Cash and cash equivalents at beginning of the year	98,606	(1,754)	96,852	94,844	(1,754)	93,090
Cash and cash equivalents at end of the year	<u>165,702</u>	<u>(3,015)</u>	<u>162,687</u>	<u>161,501</u>	<u>(3,015)</u>	<u>158,486</u>
	<u>67,096</u>	<u>(1,261)</u>	<u>65,835</u>	<u>66,657</u>	<u>(1,261)</u>	<u>65,396</u>

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

34 Prior Period Restatement (continued)

Non-Current Investments - Note 14

The reclassification of £10,038,000 from Current asset investments, and £3,015,000 from Cash and Cash Equivalents results in an increase of £13,053,000 in Other non-current investments for the Consolidated Group and Institution with total non-current investments increasing by the same amount.

In addition to the reclassification of £13,053,000, the prior year figures have been adjusted to reflect that additions and disposals of investments as at 31 July 2021 were materially misstated and have been restated to separately disclose the additions of £17,514,000 and disposals of £18,837,000 within the investments note.

Management fees are now included within the Movements on cash balances in portfolio figure and are disclosed as narrative below the note. The total amount to be disclosed is £342,000; £244,000 previously disclosed separately in non-current assets and £98,000 previously disclosed separately in current assets.

i. Restated movements Other non-current investments in prior year and adjusted opening balance 1 August 2021

	Consolidated			Institution		
	Other non-current investments			Other non-current investments		
	Reported	Restatement	Restated	Reported	Restatement	Restated
	31 July 2021	31 July 2021	31 July 2021	31 July 2021	31 July 2021	31 July 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Opening Balance at 1 August 2020	28,653	11,891	40,544	28,541	11,891	40,432
Additions	10	17,514	17,524	10	17,514	17,524
Disposals	(1,007)	(18,837)	(19,844)	(1,007)	(18,837)	(19,844)
Change in fair value of managed portfolio	3,163	979	4,142	3,163	979	4,142
Change in fair value of other investments	2,284	-	2,284	2,199	-	2,199
Movements on cash balances in portfolio	-	1,262	1,262	-	1,262	1,262
Management fees	(244)	244	-	(244)	244	-
Opening Balance as at 1 August 2021	32,859	13,053	45,912	32,662	13,053	45,715

ii. Reanalysis of Other Non-current Investment holdings as at 31 July 2021

	Consolidated			Institution		
	31 July 2021					
	Reported	Restatement	Restated	Reported	Restatement	Restated
	£'000	£'000	£'000	£'000	£'000	£'000
Listed and non-listed shares	4,810	-	4,810	4,613	-	4,613
Managed Endowment Investment Portfolio:						
Equities	12,626	3,833	16,459	12,626	3,833	16,459
Fixed interest stocks	10,712	4,519	15,231	10,712	4,519	15,231
Other investments	4,711	1,686	6,397	4,711	1,686	6,397
Cash holdings	-	3,015	3,015	-	3,015	3,015
	28,049	13,053	41,102	28,049	13,053	41,102
	32,859	13,053	45,912	32,662	13,053	45,715

Notes to the Financial Statements (Continued)

for the year ended 31 July 2022

34 Prior Period Restatement (continued)

Restatement of opening balance Current Investments - Note 17

The Managed Endowment Investment Portfolio is a Fixed Asset Investment Portfolio intended for retention by the University to support the activities of the Endowment Funds over the lifetime of the funds - for this reason the total assets of the fund should be disclosed in Non-current investments. An amount of £10,038,000 was misclassified as current investments in the 2020/21 Financial Statements and is now reclassified from Current asset investments to Other non-current investments for the Consolidated and Institution Financial Statements.

£10,138,000 of the reclassification is due to the reclassification of the opening balance as at 1 August 2020, with the remaining reclassification amount of £100,000 arising over the year to 31 July 2021.

After the reclassification, current investment assets at 31 July 2021 are comprised solely of Bank deposits held for periods greater than 3 months totalling £84,505,000.

	Consolidated			Institution		
	31 July 2021					
	Reported	Restatement	Restated	Reported	Restatement	Restated
	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 August 2020	99,647	(10,138)	89,509	99,647	(10,138)	89,509
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Change in fair value	1,265	(1,265)	-	1,265	(1,265)	-
Movements on deposits	(5,004)	-	(5,004)	(5,004)	-	(5,004)
Movements on managed funds	(1,267)	1,267	-	(1,267)	1,267	-
Management fees for managed portfolio	(98)	98	-	(98)	98	-
As at 31 July 2021	94,543	(10,038)	84,505	94,543	(10,038)	84,505
Current investments consist of:						
Managed Investment Portfolio:						
Equities	4,519	(4,519)	-	4,519	(4,519)	-
Fixed interest stocks	3,833	(3,833)	-	3,833	(3,833)	-
Other investments	1,686	(1,686)	-	1,686	(1,686)	-
Bank Deposits	84,505	-	84,505	84,505	-	84,505
	94,543	(10,038)	84,505	94,543	(10,038)	84,505

Restatement of opening balance Cash and Cash Equivalents - Note 24

The Managed Endowment Investment Portfolio is a Fixed Asset Investment Portfolio and as such the cash balances that formed part of the portfolio at 31 July 2021, totalling £3,015,000, have been reclassified from Cash and cash equivalents to Non-current other investments (Note 14) in accordance with accounting guidance. Accordingly the opening cash balance has decreased from £165,702,000 to £162,687,000 (Consolidated) and £161,501,000 to £158,486,000 (Institution).

	Cash and Cash equivalents		
	Balance	Balance	
	Reported	Restatement	Restated
	31 July 2021	31 July 2021	31 July 2021
Consolidated	165,702	(3,015)	162,687
Institution	161,501	(3,015)	158,486

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 2021/22	Mr Adi Sawalha (tenure 01/08/21 to 31/07/22)
The President of the Students' Union 2022/23	Mr Adi Sawalha (tenure 01/08/22 to 31/07/23)

Nominees of the President and Principal

		Tenure ends
Vice-Principal, International	Professor Colin Grant	09/04/23
Vice-Principal, Policy and Strategic Partnerships	Dr Philippa Lloyd	09/04/23

Elected Members [Staff]

Ms Sarah Cowls (to 29/04/2022)	01/09/24
Professor Alison Blunt	30/09/22
Professor Kavita Datta (from 30/09/21)	30/09/25
Martin Donkin (from 30/04/2022)	30/04/26
Professor Mangala Patel	30/09/25
Professor Yang Hao (from 30/09/21)	30/09/25
Dr Darryn Mitussis (to 30/09/21)	30/09/21
Professor Wen Wang (to 30/09/21)	30/09/21

External Members

Mr Gil Baldwin (from 01/03/22)	01/03/26
Mr Ken Batty (from 10/01/22)	10/01/26
Lord Clement-Jones CBE	30/04/25
Ms Celia Gough	01/09/24
Ms Stella Hall	06/07/23
Ms Isabelle Jenkins	07/01/26
Ms Maryanne Matthews (from 10/01/22)	10/01/26
Mrs Bushra Nasir (to 31/08/21)	31/08/21
Dr Alix Pryde	31/12/23
Mr Luke Savage (to 31/01/22)	31/01/22
Ms Melissa Tatton CBE	31/12/23
Mr Peter Thompson	29/11/25
Mr David Willis (to 31/12/21)	31/12/21

AUDIT AND RISK COMMITTEE MEMBERSHIP

Chairman [an external member of Council]

Mr David Willis (to 01/12/21)
Mr Peter Thompson (from 01/12/21)

Up to four other external members of Council

Dr Alix Pryde
Mr Peter Thompson (to 01/12/21)
Ms Celia Gough (from 01/03/22)

Up to two co-opted members

Ms Simona Fionda
Mr James Hedges

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
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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 (People, Culture and Inclusion)	Ms Sheila Gupta (resigned 31/07/22)
Vice-Principal (International)	Professor Colin Grant
Vice-Principal (Research and Innovation)	Professor Andrew Livingston
Vice-Principal and Executive Dean (Health)	Professor Sir Mark Caulfield (appointed 01/01/22)
Vice-Principal and Executive Dean (Health) (Interim)	Professor Irene Leigh (resigned 31/12/21)
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 Ghazwa Alwani-Starr (appointed 06/12/21, resigned 25/07/22)
Chief Operations Officer	Dr Sharon Ellis (appointed 25/07/22)

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

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