

St Mary's
University,
Twickenham



ST MARY'S UNIVERSITY, TWICKENHAM
ANNUAL REPORT AND FINANCIAL STATEMENTS

31 JULY 2023

A company limited by guarantee and registered in England and Wales under number
05977277

Registered Office: Waldegrave Road, Strawberry Hill, Twickenham, TW1 4SX

Registered Charity Number: 1120192

Contents

	Pages
Administrative Information	1-2
Vice-Chancellor's Foreword	3-4
Directors' Report	5-11
Statement of Corporate Governance and Internal Control	12-15
Strategic Report	16-33
Statement of Responsibility of the Board of Governors	34
Independent Auditor's Report	35-39
Consolidated and University Statement of Comprehensive Income	40
Consolidated and University Statement of Changes in Reserves	41
Consolidated and University Balance Sheet	42
Consolidated Statement of Cash Flows	43
Statement of Accounting Policies	44-49
Notes to the Financial Statements	50-66
Appendix 1: Trade Union Facility Time Report	67
Appendix 2: Greenhouse gas emission & energy consumption Report	68-70

Administrative Information: Year ended 31 July 2023

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Chancellor

Cardinal Vincent Nichols

Board of Governors

Rt Rev Richard Moth (Chair)
Mr Benedict Andradi (Appointed 6 July 2023)
Mr Paul Barber
Ms Laura Blackhall (Appointed 9 August 2023)
Mr David Brambell
Dr Christine Campbell (Resigned 6 July 2023)
Mr Jeffrey W. Cottle (Resigned 6 July 2023)
Ms Caitlin Finn (Appointed 6 July 2023)
Dr Fiona Gatty
Mr David Hartnett (Resigned 6 July 2023)
Mr George Jenkin (Resigned 9 August 2023)
Mr Anthony McClaran
Ms Claire McDonnell
Dr Mary Mihovilovic
Mrs June Mulroy (Resigned 6 July 2023)
Ms Adeola Oke (Appointed 6 July 2023)
Mr Pietro Palladino (Resigned 6 July 2023)
Mrs Deborah Streatfield
Professor Dominic Tildesley
Esteban Jurado Traverso (Appointed 22 November 2023)
Dr Ann York (Appointed 22 November 2023)

Company Secretary

Ms Elizabeth Bell (Appointed 28 October 2023)
Mr Andrew Browning (Resigned 27 October 2023)

Senior Leadership Team

Vice-Chancellor	Mr Anthony McClaran
Provost	Professor Symeon Dagkas
Chief Operating Officer	Mrs Jo Blunden
Chief Financial Officer	Mr Richard Solomon

Administrative Information (continued): Year ended 31 July 2023

Bankers

Barclays Bank Plc
Leicester
LE87 2BB

HSBC Bank Plc
133 Regent Street
London
W1B 4HX

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

External auditors

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

Internal auditors

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

Vice Chancellor's Report: Year ended 31 July 2023

On behalf of the University, I am pleased to present our Annual Report and Financial Statement for 2022-23. This year, with the restrictions of the pandemic years behind us, the University has once more demonstrated resilience and nimbleness in its ability to adapt and to thrive in the face of the very difficult economic climate and the cost of living crisis. Looking back over the year, there have been a number of significant changes and challenges, and above all, many successes to celebrate.

Changes

Notably, the past year saw the University prepare for the changes in its Faculty structures, effective from 2023-24. There are now three Faculties, each with an Academic Dean of Faculty. The Faculties house Schools¹ led by Heads of School, and now each School has dedicated Leads for Partnerships, Student Experience and Research. There is also a new Faculty Administration structure to support their smooth working. These new structures support a more consistent organisational approach across the University's academic activity. Additionally, there are new cross-University roles, including a Director of Research who will continue to develop the University's research capabilities and prepare for the Research Excellence Framework (REF) 2028, and a new role for a Head of Student Experience and Enhancement. Alongside this, over the past year, plans for the proposed Medical School have progressed, with the application to the General Medical Council submitted in mid-July 2023.

During 2022-23, progress in the Operational Enhancement Plan, and plans for initiatives such as St Mary's Online and for new builds and renovations, have supported the University's aim to lay a solid foundation for sustainable growth. Extending the subject portfolio in areas such as in Computer Sciences, forging new academic partnerships and supporting international growth, have all been high on our agenda during this past year.

To keep track of our trajectory and measure our year on year progress towards our strategic aims of *Vision 2030*, we have now mapped our Key Performance Indicator's (KPIs) to our five Pillars that support our strategic plan. Notably, our KPIs now monitor progress through the OfS regulatory landscape and the continuation, completion, progression and graduate outcomes measures.

Challenges

The economic climate, inflation, annual tuition fees frozen until 2025, and the cost of living have all contributed to the challenges faced by universities today. St Mary's continues to monitor the impact of the cost of living on students, and supports with hardship funds or flexible timetables, recognising that some students work part-time. We are also aware of the ramifications for staff, and on staff recruitment, for example.

For the year 2022-23, growth in terms of domestic student numbers remained a challenge, with overall numbers balanced by the strong intake of international students. Despite the challenges of growth, the University's end of year budget has recorded a Full Year EBITDA of £4.8m, with a Full Year net surplus of £359k, representing the second consecutive annual surplus.

Successes

This year's Summer Graduations took place at Westminster Cathedral in July 2023. It is always a great honour and pleasure to be able to award our degrees in the Cathedral, as the Archbishop of Westminster, Cardinal Vincent Nichols, is also Chancellor of St Mary's University. This year we awarded two honorary degrees: one to Nihal Arthanayake, an alumnus of St Mary's and highly respected and award-winning broadcaster; and the second award went to Caroline Haughey OBE KC, a criminal barrister specialising in modern slavery and human trafficking cases.

In May, Sir Mo Farah won the 2023 British Academy of Film and Television Arts (BAFTA) award for *The Real Mo Farah*, broadcasted on BBC One in 2022, revealing for the first time his experience of human trafficking and modern slavery. Since the documentary aired, Sir Mo has also become the first Patron of the University's Bakhita Centre for Research on Slavery, Exploitation and Abuse at St Mary's.

¹ The Faculty of Business and Law has two Schools, the Faculty of Sport, Technology and Health Sciences has two schools and the Faculty of Education, Theology and the Arts has three Schools.

Vice Chancellors Report (continued): Year ended 31 July 2023

A commitment to the excellence of our teaching and student support is at the heart of all that makes St Mary's special and so external markers of that excellence are always significant. During 2022-23 the University prepared its Teaching Excellence Framework (TEF) submission and in August 2023 gained the excellent TEF outcomes of Gold for Student Experience and Silver for Student Outcomes, and Silver overall. After last year's excellent NSS results, the focus was to increase response rates and maintain the high scores. The NSS results of August 2023 demonstrate that this was achieved, with a 9% increase in the response rate and another strong performance² in the scores, with undergraduates giving a positivity rating of 88% for the teaching at St Mary's, and 89% for academic support. The excellent Graduate Outcomes Survey results for 2020-21, published in July 2023, demonstrated significant improvement, with 84.3% of our graduate leavers in highly skilled employment or further study. Earlier in June 2023, St Mary's saw its highest-ever position in the Complete University Guide for 2024, now ranked 85th out of the 130 institutions taking part. In November 2022, the Guardian Ranking saw St Mary's climb 34 places to 70th place, a position largely consolidated in this year's 2023 results published recently. More recently, at the start of the new academic year 2023-24 the new Daily Mail league table published for the first time in September 2023 ranked the University 78th out of the 128 universities taking part, at the top of the Cathedrals Group of universities, and second amongst our UCAS competitors. Then most recently, the Times and the Sunday Times Good University Guide 2024, published in September 2023, saw the University climb another 6 places from 51st nationally in 2023 to our highest ever position of 45th in 2024 and 8th in London. The ranking places St Mary's within the top five universities for teaching quality and in the top ten for student experience, and in the top two universities in London, for both teaching quality, and the wider student experience.

Political and regulatory backdrop

The Higher Education (Freedom of Speech) Bill became law on 1 June 2023 and I am pleased to see that in the NSS question concerning freedom of speech 88% of our students felt that they were free to express their ideas, opinions and beliefs, and we shall continue to ensure this remains the case at the University. In July, the government published the Higher Education Policy Statement and Reform in response to its consultations of 2022. Some of the Reform outcomes are already in train, such as a focus on high quality outcomes for students and the identification of low-quality provision. There is a greater focus on technical provision and apprenticeships and on the lifelong learning entitlement. Of concern to us is the lowering of the fee for degree foundation courses and we are currently reflecting on the approach the University may take regarding this.

Since becoming Vice-Chancellor in 2020 I have steadfastly supported the *Vision 2030* aim to recognise, support and nurture the equality, diversity and inclusion that are inherent in our mission and values. In April 2023 the University received notification of having gained the Bronze Athena Swan Award, an award conferred for five years until 2028. Athena Swan is the national framework for working towards gender equality in higher education. Work is continuing on the Race Equality Charter (REC) Bronze Award submission for November 2023.

St Mary's has been on a long and exciting journey since its foundation in 1850. As we begin to plan for celebrating our 175th anniversary in 2025, our journey continues, buoyed up by the achievements of the last twelve months.

22 November 2023

² The OfS changed the structure of the NSS changes in 2023 so there is no longer an Overall Satisfaction rate (last year this was 83.9%, and that led to a rise in seven places to 11th overall in the sector ranking). This year there were 27 questions, with results for each question expressed in terms of a positivity measure (%); the proportion of responses that were positive. The results were also expressed by theme, for example, Theme 1 Teaching on my Course. How this year's new format of results will be included in the various national forthcoming rankings, is currently unknown.

Directors Report: Year ended 31 July 2023

Directors' Report: Year ended 31 July 2023

The Governors, as Directors of the University, present the Directors' Report for the year ended 31 July 2023.

Governors during the year

The current Board of Governors and details of those who served during the year 2022-23 are set out on page one. Over the past year, Mr David Hartnett, Mrs June Mulroy and Mr Jeffrey Cottle have all stood down after serving for the maximum 9 years required under the University's articles of association. Pietro Palladino has also stepped down after 4 years' service. Dr Christine Campbell has stepped down as the academic representative and been replaced by Dr Mary Mihovilovic. Following his retirement, the non-academic representative on the Board, George Jenkin, has also left with Laura Blackhall being elected to Board to replace him. We have also welcomed Benedict Andradi and Adeola Oke onto the Board and we are grateful that they have accepted roles as chairs of the Finance & Resources Committee and the Audit Committee respectively. On the 22 November 2023, we welcomed Esteban Jurado Traverso and Dr Ann York onto the Board. We would like to thank all those who have left the Board this year for their service to the University.

Clerk to the Board and Company Secretary

The Clerk to the Board and Company Secretary, Andrew Browning, has left the University to take up a role at another Higher Education Institution after nearly 7 years' service and we wish him well in his future career. For the remainder of the academic year the University's Director of Strategic Planning, Elizabeth Bell, will be assuming the role of Clerk and Company Secretary.

Governors' Indemnity

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

Public Benefit

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

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

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

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

Dividends

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

Disclosure of Information to Auditors

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

Directors Report (continued): Year ended 31 July 2023

Disclosure of Information to Auditors (continued)

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

Political Donations

The University has not made any political donations during the year ended 31 July 2023 (2022: Nil).

Statement of Corporate Governance Arrangements

The University has adopted the Committee of University Chairs (CUC) Higher Education Code of Governance (2020 Version) published on 16 September 2020, which applies to our reporting for 2022-23 and subsequent years. Set out below is a summary of how the University seeks to meet the requirements of these.

Element 1 - Accountability

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

Element 2- Sustainability

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

Element 3 - Reputation

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

Element 4 - Inclusion and Diversity

The Finance and Resources Committee approved and oversees a People Strategy for the University which promotes equality and diversity and sets out clear KPIs. Progress towards meeting these KPIs is reported to both the Committee and the Board of Governors. The University has policies and procedures in place which aim to eliminate discrimination, these are considered by the University Executive Committee and the Senior Leadership Team.

Directors Report (continued): Year ended 31 July 2023

Statement of Corporate Governance Arrangements (continued)

Element 5- Effectiveness

The University Secretary is responsible for advising Board members and keeping them briefed on compliance with the governing instruments and Board regulations. All members of the governing body have access to the University Secretary and the Board is responsible for the appointment (and removal) of the University Secretary. The Nominations Committee is responsible for the appointment of new members to the Board and is responsible for ensuring that the Board has a good skills balance and there is diversity of membership. An external review of governance was completed in September 2023. This found that the standard of governance at the University is good. The review also set out further enhancements to improve the effectiveness of the Board and the University will be looking to implement a majority of these over the coming 12 months.

Element 6 - Engagement

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

Financial Risk Management

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

Price Risk

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

Credit Risk

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

Liquidity Risk

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

Cash Flow Risk

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

Directors Report (continued): Year ended 31 July 2023

Post Balance Sheet Events

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

Existence of Overseas Branches

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

Equality, Diversity and Inclusion

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

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

Annual EDI report

The University is under a legal duty (as part of the Public Sector Equality Duty) to review and publish equality data each year. As part of our regular equality, diversity, and inclusion (EDI) activity, this annual report summarises the data for staff, and informs the base for the future development of our EDI agenda, equality charters action plans, and the People Strategy.

We are pleased to report that key achievements this year in respect of staff equality, diversity, and inclusion include:

- **Athena Swan** - Awarded Athena Swan Bronze Award in April 2023. A multi-year action plan will now be implemented to ensure as an institution we will address any barriers identified to gender equality at St Mary’s.
- **Race Equality Charter (REC)** - Our first ever race-focused staff and student survey and focus groups has been completed and shared with St Mary’s community to increase awareness of lived experience of race equality in preparation for our first REC Bronze Award submission (for November 2023).
- **Disability Confident** - Progressed from Level 1 to Level 2 – Disability Confident Employer – in January 2023. Commitments for Level 2 and corresponding activities are increased from those in Level 1 and are grouped into two themes: (1) Getting the right people for your business; and (2) Keeping and developing your people.
- **LGBTQ+ Inclusion** - Publication of St Mary’s first Staff Transgender and Non-Binary Equality Policy and Transition Support Checklist, alongside the roll out of Gender Awareness training to upskill staff in how best to support Transgender and Non-Binary staff and students. Launching a Cathedrals Group LGBTQ+ Support Working Group, where staff and students from Cathedrals Group Universities come together to share best practice and collaborate on supporting their LGBTQ+ staff and students at faith-based universities.

Annual EDI report (continued)

The **EDI Staff Board** chaired by our Director of HR, is tasked with the strategic management of the Staff EDI Programme within St Mary's University. It sets the Staff EDI agenda, overseeing implementation and monitoring progress and reports to the University Executive Committee. It is made up of staff from across the University, including the EDI staff network leads. The staff networks are key to operational delivery of the People Strategy and engaging staff in this work. The network leads work closely with the Student Union to ensure collaboration and promotion of activity to students as well as staff as relevant. The networks also provide consultation to senior leadership on HR strategy development and best practice for addressing EDI-related issues on campus.

Gender & Ethnicity Pay Gap Reporting

For the third year, the University produced a joint Gender and Ethnicity Pay Gap report, which was approved by the University Executive Committee (UEC) and Finance & Resources Committee (FRC) in March and has been published on the University's external website in line with legal requirements. We were encouraged to see our mean and median Gender Pay Gap figures, as well as our mean and median Ethnicity Pay Gap figures, decrease from 2021 to 2022. We have seen more variability in our bonus Gender and Ethnicity Pay Gap figures, as well as our intersectional analysis.

Our detailed analysis in this year's report has demonstrated that while reporting on differences in pay is crucial to our EDI ambitions, the gaps we see are symptoms of a greater systemic problem to be addressed at St Mary's – overrepresentation of women and BAME colleagues in the lowest pay quartile and underrepresentation of both groups (much more so the latter) in the highest pay quartile. This trend in our gender pay gap is common across the sector.

Our Athena Swan and Race Equality Charter (REC) project teams are making good use of our pay gap reporting data to inform their work creating multi-year action plans to address these inequalities at the University.

Engagement with Employees

People Strategy

Vision 2030 outlines our approach and forms the guiding structures for our supporting strategies, operating plans, and team and individual targets. One of the Vision 2030 pillars and its objectives sets the strategic direction for our People Strategy. It is:

Developing our people

We seek to empower our staff to reach their full potential by developing a supportive, inclusive, collaborative and inspiring working environment. We want our staff and leadership to reflect and encompass the diversity of our student body and the wider community.

Our People Strategy underpins the continued realisation of the University Vision 2030. Our first People Strategy in 2020 set out our strategic people aim and key objectives. It preceded Vision 2030, so is being refreshed this year to ensure alignment with this and to reflect the changing workforce environment post Covid.

Recent successful deliverables include:

- Delivery of a new Senior Academic Management Structure;
- Development of a new Academic career pathway practitioner route;
- Launch of a Staff Engagement Survey and engagement survey platform;
- Developing and implementing an active Women's Leadership Forum;
- Launch of Embedding Inclusive Hiring Initiative, including internally-led training, extensive resources for hiring managers, and creation of the Inclusive Hiring Advisors group;
- Development of Menopause Policy and Secondment Policy in line with best practice;
- Launch of new Induction programme bringing together Professional Service and Academic Staff; and

Developing our people (continued)

- Operational improvements and enhancements in onboarding module, appraisal module, digital signatures and online right to work checks.

Staff Engagement

The refreshed strategy will be informed by the results and feedback of the Staff Engagement Survey 2023. The survey recorded a participation rate 70% and overall engagement score of 72%, which is in line with HEI benchmarks.

We celebrate from our results: the level of care about the future of St Mary's; clarity on how our work contributes to St Mary's success; that we find our work interesting and challenging; and the high levels of support and respect by line managers. A sense of purpose, culture and values and line management support were among the most favourable aspects of the employee experience. Reward and recognition, career development, leadership and wellbeing were the areas where the survey indicated the greatest opportunity for improvement.

We are responding at an organisational and local level to the results. Our strategy and operating plan will be updated to reflect the survey outcome and interventions being undertaken as a result over the coming year.

Trade Union Engagement

The Trade Union (Facility Time Publication Requirements) Regulations 2017 took effect from 1 April 2017. Under these Regulations, the University collects and publishes information about how much time and cost is attributable to trade union facility time regarding those employees who are trade union representatives. These disclosures relating to the year from 1 April 2022 to 31 March 2023 are included as an appendix to the Annual Report and Financial Statements.

Engagement with suppliers, customers and others

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

Greenhouse gas emission & energy consumption

We set out our fourth report on Green House Gases (GHG) for the period from 1 August 2022 to 31 July 2023 in accordance with the Companies and Limited Liability Partnerships (Energy and Carbon Report) Regulations.

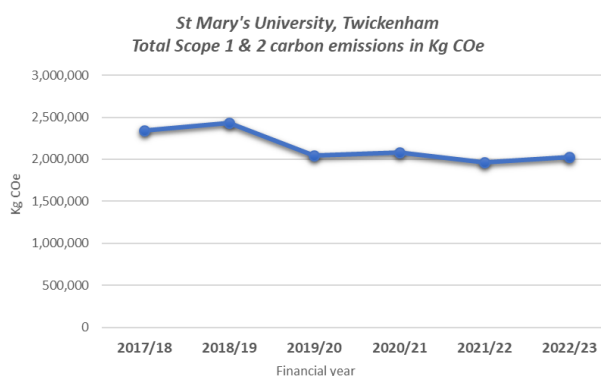
The University is committed to reducing carbon emissions over time. All our capital projects include measures to improve energy efficiency and reduce carbon emissions. During the year we have replaced a major high efficiency condensing boiler plant, and introduced additional control systems to improve the distribution of the correct heat levels throughout our more historic estate. Refurbishment of student accommodation has seen the introduction of air source heat pumps to generate hot water, and as part of a capital grant from the OfS we have completely replaced hot water heating systems in new computer suites with air source heating and cooling partially powered by a new solar array. LED lighting has also been introduced to these suites. Our LED lighting replacement programme continues across the campus, with nearly all external lighting being upgraded to LED, and the whole of the Education building being converted throughout along with two of our sports halls.

Directors Report (continued): Year ended 31 July 2023

Greenhouse gas emission & energy consumption (continued)

We have also been actively been working towards the practical objectives set out in our Carbon Management plan generated through a campus wide energy audit under the Energy Savings Opportunity Scheme (ESOS). A further Audit will be undertaken in the next academic year.

2022/23 saw a resumption of full teaching activities. Despite the increase in activity, the cumulative impact of our ongoing improvements meant we were able to maintain our overall scope 1 & 2 carbon emissions despite this increased occupancy as can be seen in the graph below.



We have adopted the widely accepted approach defined in the GHG Protocol Corporate Standard and our results are summarised below with further details presented in Appendix 2.

Scope 1 (Direct emissions) reflects GHG emissions from activities owned or controlled by the University such as vehicles and gas for heating on our premises. Our total Scope 1 GHG s were 1,331,395 KgCOe (PY: 1,292,275 KgCOe)

Scope 2 (Energy indirect) includes GHG emissions, our electric vehicles and electricity purchased on Campus, the Exchange and other sites. Total emissions were 691,186 KgCOe (PY: 673,434 KgCOe).

Scope 3 (Other indirect) represents GHG emissions relating to business travel by students and staff, procurement, water and waste. Our total Scope 3 emissions were 1,863,897 KgCOe (PY: 1,478,737 KgCOe).

The overall GHG emissions were 3,886 tCOe (PY: 3,444 tCOe). The GHG emission intensity ratio per Staff FTE is 6.17 tCO2e based on a total of 630 staff FTE, whilst it is 0.83 tCO2e per student FTE based on a total of 4,666 student FTE in 2022/23.

Identification of Information Excluded from the Directors' Report

The review of performance during the year and position at year end, principal risks and uncertainties, analysis of KPIs, and future developments in the business are presented in the Strategic Report, on pages 16-33.

Signed on behalf of the Board of Governors

Bishop Richard Moth
22 November 2023

Statement of Corporate Governance and Internal Control: Year ended 31 July 2023

The University presents its Statement of Corporate Governance and Internal Control covering the year 1 August 2022 to 31 July 2023 and up to the date of approval of the financial statements.

Corporate Governance and Internal Control

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

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

Internal Audit of governance

The annual internal audit opinion for governance was that the University has an adequate and effective framework for governance. This opinion was informed through internal audit assignments throughout the year and our internal auditors' attendance at Audit Committee.

Articles of Association

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

The Board of Governors

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

The composition of the University's Board of Governors is set out in the Articles of Association. During the year ended 31 July 2023, the Board has consisted of not more than twenty-four members being:

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

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

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

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

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

Transparency

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

Statement of Corporate Governance and Internal Control (continued): Year ended 31 July 2023

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

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

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

Ensuring regularity and propriety in the use of public funding

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

Committees

The Board of Governors conducts its business through several committees. The terms of reference for each committee are approved by the Board and subject to annual review, and are also available to view on the University's website. During the year ended 31 July 2023, the Board's committees were as follows:

Audit Committee

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

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

Finance and Resources Committee

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

The Finance and Resources Committee recommends to the Board inter alia the University's annual revenue and capital budgets and monitors performance in relation to the approved budgets. It recommends and approves policies and procedures in relation to Human Resources matters. It advises on infrastructure matters including Information Technology and Estates strategies and the monitoring of major corporate projects. It also has oversight of health and safety.

Statement of Corporate Governance and Internal Control (continued): Year ended 31 July 2023

Committees (continued)

Academic Scrutiny Committee

The Academic Scrutiny Committee consists of five governors (three non-staff governors, an academic staff governor, a student governor, and the Vice-Chancellor). The Academic Scrutiny Committee scrutinises and challenges the Academic Board and the Senior Management Team on the quality and enhancement of the academic experience and student outcomes.

Remuneration Committee

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

Nominations and Governance Committee

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

Scope of Responsibility

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

The Purpose of the System of Internal Control

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

The Risk and Control Framework

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

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

- the University has a Risk Management Group chaired by the Chief Financial Officer with a membership consisting of senior managers. The group generally meets at least four times a year and reports to the University Executive Committee and the Audit Committee;
- risk assessment procedures are embedded in ongoing operations across the University. Heads of academic and administrative departments regularly contribute to the identification and mitigation of risks that are incorporated into the Strategic Risk Register, Emerging Risk register and Opportunities register;

Statement of Corporate Governance and Internal Control (continued): Year ended 31 July 2023

The Risk and Control Framework (continued)

- heads of academic and administrative departments have clearly defined responsibilities for ongoing monitoring of the internal control environment, as well as identification and implementation of improvements;
- a comprehensive short and medium-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of academic performance and monthly reviews of financial results involving variance reporting and updates of forecast outturns;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal, detailed appraisal and review according to approval levels set by the Board of Governors; and
- comprehensive Financial Regulation, detailing financial controls and procedures approved by the Board of Governors.

The University also uses a professional Internal Audit team whose annual programme is approved by the Audit Committee. The University's Internal Audit service operates to the Chartered Institute of Internal Auditors (CIAA) Internal Audit Code of Practice and is informed by the content of the University's Strategic Risk Register. The internal auditors provide the Board of Governors with a report on internal audit activity within the University, opinion on the adequacy and effectiveness of the University's internal control system, and regular reports to the Audit Committee.

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

The internal audit programme for 2022-23 did not identify any significant internal control weaknesses during the reviews undertaken during the year. However, the University will maintain its focus on addressing the issues raised by its internal auditors and is committed to a culture of continuous improvement in this area.

Review of effectiveness

On behalf of the Board of Governors, the Audit Committee has reviewed the effectiveness of the systems of internal control. During 2022-23 the University has:

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

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

Strategic Report: Year ended 31 July 2023

The Governors present their Strategic Report for the University for the year ended 31 July 2023.

History and Incorporation Status

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

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

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

Mission and Purpose

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

Competitive and Regulatory Environment and Financial Context

St Mary's continues to face a challenging domestic and international recruitment climate. The reopening of international borders to students following the COVID pandemic, changes to government and regulatory policy in relation to HE, a challenging demographic context, and continued high inflation and cost increases - alongside a freeze on domestic undergraduate tuition fees, and a future reduction in Foundation Year fees - will continue to put further pressure on the University to find innovative ways to bring in income and improve efficiency.

Portfolio and markets

The roll-out of new courses such as Computer Science are critical to shifting our portfolio to meet future market demand, as is the further enhancement of the St Mary's reputation and brand identity, through flagship projects such as the Medical School.

Widening the sources of academic income beyond our traditional St Mary's core offering remains a priority, including the further development of existing and new franchise partnerships, as well as the launch of the St Mary's Online distribution channel.

A sector-wide slump in UK demand for education courses – traditionally a bedrock for St Mary's student recruitment – has put further pressure on other areas of the portfolio to deliver stronger returns. While we expect numbers to recover in the coming years, it's a reminder that our flagship areas are not immune to market forces.

Pressures in home markets have in previous years been alleviated through increased international recruitment, but these markets remain volatile, and changes in the political environment, either globally or within the UK, can cause large fluctuations in a market where the consumer has a lot of power.

Access

Across the sector, attracting students from non-traditional backgrounds is becoming more and more important, but despite significant progress, HEIs still face challenges in this area. While St. Mary's performs well on participation indicators, there are several issues that need to be resolved in order to maximise student opportunities. It is becoming more important to ensure that students from disadvantaged backgrounds can

Access (continued)

not only attend University but also fulfil their full potential, particularly with the publication of the new Equality of Opportunity Risk Register and the regulatory direction of the Office for Students. An ambitious new Access and Participation Plan is under development to respond to the evolving need and ensure equality of opportunity for all our students.

Regulation

The regulatory environment in the UK continues to increase the burden on institutions, with smaller universities such as St Mary's finding it especially resource intensive. The OfS roll-out of Data Futures brings the promise of greater transparency and data efficiency, but also a risk that more metrics, more data and more ways of checking, will lead to a bigger regulatory burden. Not becoming overwhelmed by the regulatory burden will require institutions to have robust and efficient data systems that will automate a lot of the work.

The University, like all organisations, continues to face the impact of high inflation, and the uncertainties this brings. The University's robust financial position will help us to navigate these challenges, but the rising cost of living continues to pose a heightened risk.

Vision 2030

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

The aims of Vision 2030 are an expression of the University's Catholic ethos and, in particular, St John Henry Newman's idea that higher education should be about developing the whole person and that all knowledge is interconnected.

Vision 2030 is built around creating a transformational experience for our students as our staff support them to succeed. Being a welcoming and supportive university, open to people of any faith and none, is a continuing expression of the nature of a Catholic university. Our new strategic plan is focused around the following five key pillars:

- **Achieving Student Success.** We want our students to develop into independent problem solvers and socially responsible individuals. Our focus on student centred learning will enhance student retention, attainment and progression, and we will continue to deliver a vibrant student experience. Graduate employability is important to St Mary's: through the applied nature of our programmes and through placement opportunities we will ensure that our students are prepared for the world of work.
- **Developing our People.** We will seek to empower our staff to reach their full potential by developing a supportive, inclusive, collaborative and inspiring working environment. We want our staff and our leadership to reflect and encompass the diversity of our student body and the wider community we serve.
- **Extending our impact through Growth.** We need to keep growing to ensure our financial sustainability and to continue building our diverse and vibrant community. We will build on areas of strength and offer a range of delivery methods to ensure our University is accessible for all students regardless of background, location or circumstance.
- **Expanding our reach through Partnerships.** Through our partnerships we will enhance student experience and create opportunities for growth. By building international partnerships we can offer our students and staff the chance to learn through experiencing other cultures and societies, and become truly global citizens. We will be a trusted partner both locally and internationally, forming and building upon relationships with other universities, further education colleges, the Church, other faith communities, sporting and civic organisations within London and beyond.
- **Enhancing our sense of space.** We will develop and improve our Strawberry Hill campus sustainably, keeping it safe and environmentally friendly. As a University with a civic mission, we will play an increasingly active role in the life of our local communities. As part of a world-wide faith-based community, we will always think globally, conscious of our interconnectedness and duty of care to each other and our planet.

Strategic Report (continued): Year ended 31 July 2023

Vision 2030 (continued)

These pillars will be essential in guiding St Mary's to a secure future.

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

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

To support advancement in our Vision 2030, we have built KPIs into our strategic plan. These have been developed to ensure St Mary's is continually seeking to improve on all measures. They will enable a greater focus and scrutiny across a wide range of key performance areas. These include Student continuation, Degree completion, Progression to professional employment or further study, Student satisfaction, Student Numbers (overall and International students), Staff Turnover, Research income, Revenues from Strategic Partnerships, Enterprise income, and sustainability.

Section 172 Statement

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

Purpose of the University

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

The University's long-term success relies on increasing the number of students studying at the University both at the undergraduate and postgraduate level and recruiting them both domestically and internationally. To attract students, the University offers courses that have the necessary academic rigour; meet the market's needs; and that provide a stepping stone for students' career development either outside or within academia.

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

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

Strategic Report (continued): Year ended 31 July 2023

University Stakeholders

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

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

Key Decisions During 2022/2023

Support for the Creation of a Faculty of Medicine

As part of the effort to meet the targets set out in the University's Strategic plan, *Vision 2030*, it was proposed that a Faculty of Medicine be created. This was in order to widen the breadth of the University's academic offer, improve the University's average entry tariff and to grow the University's income.

At the meeting of the Board of Governors on 22 September 2022 and following a presentation of the business case for the creation of a Faculty of Medicine the Board of Governors approved the commencement of the regulatory process to establish a Faculty of Medicine. Since this approval was given updates on the creation of the faculty have become a standing item on the agenda of the Board of Governors.

Approval of KPIs for Vision 2030

At Board meetings on 29 November 2022 and 20 June 2023 the Board of Governors approved the Key Performance Indicators for Vision 2030 in order that it would be able to measure the performance of the University against the strategic aims of Vision 2030.

Approval of TEF Submission

At the Board of Governors meeting on 19 January the Board was required to approve the Institutional submission for the Teaching Excellence Framework ("TEF"). The rating awarded to the University would last for 4 years until 2027 with no opportunity to re-apply during that period. It was therefore important that the submission was properly scrutinised before submission. The TEF submission was made and the University was awarded a "Silver" rating overall. We received a Gold rating for Student Experience and a Silver rating for Student Outcomes.

Engagement with employees

Please refer to the section "Engagement with Employees" in the Directors' report on pages 9 and 10.

Engagement with suppliers, customers and other

Please refer to the section "Engagement with suppliers, customers and others" in the Directors' report on page 10.

Strategic Report (continued): Year ended 31 July 2023

Development and performance in the year against key strategies

2022-23 was a pivotal year of growth and transformation for St Mary's. Following extensive consultation, the new Senior Academic Management, Faculty, School and Administrative support structure was completed with effect from the 1 August 2023. The University now has three faculties:

- The Faculty of Education, Theology and The Arts;
- The Faculty of Sport, Technology and Health Sciences; and
- The Faculty of Business and Law.

The new Faculty structure, strengthened by a reformed Provost Group, included the appointment of eight Heads of School reporting to three Faculty Deans reinforcing the University's commitment to effective leadership to drive continued excellence.

Marking a significant step towards recognising the expertise and contributions of our academic community, the University secured Advance HE re-accreditation at the start of the 2022-23 academic year. Our HEA Fellowships programmes successes continue to reflect our dedication of fostering teaching excellence and professional development among our community of staff. The introduction of the Professional Practice Pillar as additional pathway to the current Academic Promotion process demonstrated our ongoing commitment to continuous improvement and excellence in Higher Education.

With an increased focus on EDI, student outcomes and effective governance, a review of the University's Academic Committee structure was undertaken and approved by Academic Board effective from the new academic year. The new structure serves to further strengthen our commitment to transparency, collaboration, and shared decision-making that enables impactful and innovative changes for the good of both student and academic communities.

With continued outstanding National Student Survey (NSS) outcomes and improved league table positioning, this is a true testament to our focus on student success and satisfaction. Building on these successes for the future, a new Learning, Teaching and Student Outcomes Committee to ensure development of the academic elements relating to learning, teaching, academic professional development and student outcomes has been introduced. Additionally, a new appointment of the Head of Academic Student Experience and Enhancement responsible for, and provides expert leadership on, the delivery of student outcomes and the associated measures of success that enables, enhances, and enriches the overall student experience at St Mary's.

The successful OfS submission of TEF 2023 was a significant piece of work underpinned by the development and implementation of the St Mary's Student Retention Strategy which aims to provide a supportive environment for each student to thrive. The new Strategy sets out a roadmap to how the University will address improve over the next three years, particularly driving improvements in our 'continuation' and 'completion' metrics which informs the next Teaching Excellence Framework (TEF) exercise in 2026-27.

The 2021 Research Excellence Framework (REF) results published in 2022 found that most of the research submitted by St Mary's was 4* World Leading or 3* Internationally Excellent in its originality, significance, and rigour. As we start the new academic year, we welcome Professor Jamie North as the Director of Research who was one of many colleagues who were integral in gaining this achievement for the University.

Following an Ofsted monitoring visit of our Apprenticeship provision and regarding the assessment of the quality of our School Chaplaincy apprenticeship programme, the University was judged to be making good progress in all areas. The report highlighted the effectiveness of the training on offer and the quality of relationships with apprentices' employers. This demonstrates the quality of experience that our apprentices enjoy and the progress we are making as a provider.

In November 2022, Academic Deans prepared three-year Faculty Growth Plans and presented these to the University's Board of Governors. The plans reflect our adaptability and responsiveness to the changing needs of

Strategic Report (continued): Year ended 31 July 2023

Development and performance in the year against key strategies (continued)

our students and the Global landscape of Higher Education. These included management projections, plans to evolve the academic offer and extending our reach through the formation of new academic partnership. During 2022-23, the University secured an OfS bid for Capital funding worth c. £1.8m and validated the first Computer Sciences programmes at St Mary's. Further, we also secured an ambitious Memorandum of Understanding with the Mauritius Institute of Education (MIE) and also secured a contract for our PGCE provision with Teach West London. Colleagues across the University are working to diversify of our Portfolio of programmes via the planned establishment of a St Mary's Medical School and the introduction of a new St Mary's Online distribution channel.

During this year the University published its Degree Outcomes Statement demonstrating transparency and accountability, ensuring that the hard work and dedication of both our students and academic communities translate into measurable career outcomes. Our achievements in student admissions, recruitment and international growth means we have attracted a diverse and talented cohort, and we will continue to support developing every student's potential, as well as celebrating their successes. Academic Deans have been working on a review of academic support provision, particularly given the growth in our international student population. Proposals to introduce Faculty-specific provision is being proposed to come into effect from the next academic year.

International Engagement, Student Recruitment and Admissions, and Marketing and Communications

2022-23 was a year of transition for the teams that made up Global Engagement following the strategic decision to restructure this area and create two new departments with distinct though interconnected remits. The two new departments will continue to collaborate closely on existing activities but will grow to take in additional activity in support of the University's strategy and mission.

International Engagement, Student Recruitment, and Admissions (IESRA)

The Student Recruitment team hosted six on-campus events aimed at undergraduate (UG) enquirers and offer-holders, as well as webinars, regular campus tours and postgraduate (PG) recruitment events. The team attended 123 HE fairs, a 64% increase over 2021/22, to speak to students around the country and engage with UG markets. The recruitment and onboarding of student ambassadors continued and we are growing the talented group of students who represent the university and gain valuable employment experience while supporting student recruitment and support activities.

The Schools and Colleges team have gone from strength to strength, increasing both the number and type of initiatives delivered over the past year. They worked locally and across London and neighbouring counties with FE colleges, sixth forms, faith-based institutions, and schools. They also worked in collaboration with the Widening Participation team to deliver on the University's Access and Participation Plan.

The team increased the number of inbound engagements by 17%, with 201 groups visiting campus. The team also launched its inaugural Northern Irish student residential programme, building on the University's historic links with the island of Ireland. This event was very well-received and created a template for future activities.

Our international team saw a highly successful start to the year, welcoming our largest ever cohort of students in September 2022. Following this success, the International Recruitment team continued to travel to Pakistan, India, Sri Lanka, Bangladesh, Nepal, Nigeria, Ghana, Thailand, Japan, the USA, Turkey, the UAE, Norway, Spain, France, Switzerland and Italy for recruitment fairs, school visits and agent engagement.

The University approved an expansion of its international scholarship package in 2023, offering automatic scholarships to students domiciled in countries designated by the OECD as receiving official development assistance. St Mary's was also pleased to receive approval to award five Commonwealth Shared Scholarships following our bid in late 2022.

Strategic Report (continued): Year ended 31 July 2023

International Engagement, Student Recruitment and Admissions, and Marketing and Communications (continued)

Our enhanced International Admissions service has received positive feedback from agents and students, which has allowed us to better dedicate resource to applications from international students.

The inbound Study Abroad programme has continued its post-pandemic renewal, with enrolments up 47% on 2021/22. Our outbound mobility programme has seen students undertake semester-long study mobilities, summer experiences and international work placements. The team also ran our third Liberal Arts Summer School, with high attendance of students from our partner the University of Arizona.

Partnerships continue to be a key focus for the university as a major pillar of the University's corporate strategy, Vision 2030. Our domestic partnerships with London Professional Training College, Regent College and The Language Gallery have continued to embed. The University also launched an exciting partnership with the Mauritius Institute of Education, under which students can study for our EdD and Master of Education programmes. This relationship also includes opportunities for research collaboration.

Marketing and Communications

The newly formed Marketing and Communications team have seen internal communications join the existing marketing function, with new staff joining to support the implementation of new initiatives planned for the year ahead.

The team have renewed a number of key marketing assets during the year. One of the key projects was a review of how the prospectus works. Following consultation with student recruitment practitioners, a third of the content was removed to provide a more streamlined and user-friendly document. This decision will help to improve the document's carbon footprint by reducing the volume of paper used and the weight/size of the document when being transported.

The prospectus renewal project was supported by a review and redesign of our course webpages. A large website research and audit project was undertaken by the web team to review how users use our website and to receive feedback on the layout. This research informed the redesign of the course pages, which in the six months since launch have been highly successful. Prior to launch our course pages had a performance rating of 57% and search engine optimisation rating of 75%, these are now 85% and 92% respectively, with our accessibility now rated 99%.

The University has continued to fund profile-raising activities to support student recruitment and brand recognition. The team have now run six successful campaigns using outdoor and transport advertising placements. The University has also secured sponsorship of Twickenham Train Station for two further years, ensuring visitors to the local area and Twickenham Stadium are able to easily see the St Mary's University brand.

Another key project for the team has been the development and launch of the new University app, MySMU, in collaboration with IT and colleagues across the University. The app will revolutionise digital student engagement, providing members of the university community with easy access to key university systems, news, and announcements. The app launch has seen the recruitment of a dedicated member of staff to ensure its success and implementation across the university.

Research

The growing profile and recognition of research excellence at St Mary's University, which was illustrated in the outstanding results of REF2021, has continued to be further demonstrated and highlighted in the research achievements realised through academic year 2022-23.

Research (continued)

Through 2022-23, research has shown its importance as a vehicle in enabling the University to strengthen the pillars set out in Vision 2030. In striving to enhance the sense of Place, we have undertaken research within communities and addressed localised, national, and international issues and challenges. This has included externally funded research by the National Health Service to address localised health inequalities, and we have also invited external partners and stakeholders to research and knowledge exchange events at our beautiful campus (e.g., Feast). We continue to develop rich Partnerships through research, both local and global.

Locally, our partnership with South London and Maudsley NHS Foundation Trust enriches our increasing focus on the global challenge of mental health, a research subject for which we have also received multi-year funding from the EU Horizon programme. Locally, we have also strengthened our association with the South London Partnership and local businesses through funded research and knowledge exchange projects. More widely, we have partnered with international and global organisations such as the European Club Association and FIFA to address contemporary issues in women's football and concussion respectively. Our strategic focus of prioritising applied research that addresses contemporary social issues means we continue to realise and project Impact. This includes impact from UKRI funded research in diverse areas such as modern slavery and methods to offset the negative effects of zero gravity, which has significant application in clinical and health settings.

Parallel to its contribution to the pillars of Vision 2030, the research successes and achievements illustrate how the pillars of research excellence set out in the University's research strategy continue to inform and enhance the University's research direction. Our research continues to reflect Catholic Values and Common Good (e.g. modern slavery of UK nationals), Social Justice and Social Impact (e.g., social, cultural, and geographical health inequalities), Health and Social Wellbeing (e.g., mental health, rehabilitation of amputees), and Improving Performance and Professional Practice (e.g., football boot design, anti-gravity exercises in space).

Research at St Mary's through 2022-23 has generated external funding from a breadth of sources spanning local/regional, to national, and international. The breadth of funding not only spans geographical scales, but also includes a range of different types of funding including research consultancy, commercially driven contract research, and bespoke funding bodies. Importantly, the growing maturity and quality of research at St Mary's is now being recognised through UKRI funded work including the Arts and Humanities Research Council and UK Space Agency, and full applications have been invited by the Medical Research Council for 2023-24.

Research from St Mary's in 2022-23 has not been confined to internal or academic boundaries, but has been projected externally and generated wider social and mainstream media attention. Research from St Mary's has been reported in outlets including, but not limited to, BBC Radio 4, The Times, ITN news, Channel 5 news, BBC Sport, BBC News, Sky News, BBC World Service, iNews. Further, research-led submissions from St Mary's staff have been published as written evidence on UK Parliamentary Committees.

Research at St Mary's continues to form a component to Student Success. St Mary's awarded 23 research degrees through 2022-23, with a further 170 research degree students currently registered.

With the results from REF2021 now 'locked in' until the next REF exercise, the outstanding performance in this research assessment exercise- coupled with other metrics, such as NSS- continues to make a key contribution to St Mary's performance and rise in league table rankings. As an example, St Mary's now sits 51st (out of 131 institutions) in the Times Good University Guide 2023, the University's highest ever ranking.

Looking ahead to academic year 2023-24, St Mary's will have appointed and had in post its first ever Director of Research. There will be a focus on implementing strategy and processes as part of preparations for REF2027/28. More broadly there will be a focus on implementing research environment strategies to ensure an inclusive and diverse research culture, which itself will work towards the People pillar of Vision 2030. It is hoped and anticipated that St Mary's will also utilise its Research Degree Awarding Powers to begin validating the research degrees of other universities or higher education colleges.

Strategic Report (continued): Year ended 31 July 2023

Enterprise, Innovation and Development

2022-23 again saw a significantly improved performance on the previous year, as activity and income continued to grow and, in many areas, return to pre-Covid levels. However, some areas of activity have taken longer to return to pre-Covid performance, compounded by the economic challenges that we have seen in 2023, which has affected levels of discretionary spending.

The Conferences team were able to return to pre-pandemic levels of activity in the summer of 2023 for the first time, and were extremely busy with language schools, the Liberal Arts Summer School, academic conferences and a number of children's summer activities, such as Stagecoach drama school. As activity has returned to more normal levels, the team are able to plan ahead with more certainty for future years, and are now moving their focus to increase activity outside the key summer period.

The Exchange has found that the behaviour of audiences is still different from before the pandemic in 2019-20, with audiences booking tickets far closer to the date of the event. However, in February 2023 we ran a successful programme of events for LGBT History Month and in March we held a month-long festival for International Women's Day which attracted new audiences to the Exchange and provided opportunities to work in partnership with local organisations, which we are hoping to build upon in 2023-24.

The Development Office has helped to raise funds for a variety of research, education and welfare projects across the University, with notable success for projects in the Bakhita Centre for Research on Slavery, Exploitation and Abuse, and philanthropic support from Santander Universities UK making a difference in our employability and entrepreneurship work with students. The Development Office continued to develop its alumni relations programme with regular monthly e-communications and a printed Simmarian magazine. We also welcomed a number of alumni groups back to campus during the year.

The Enterprise team has supported a number of academic staff across the University with consultancy work, in particular in fields connected to sports science, education and business development, working with large and small businesses, charities and schools. As in 2021-22, the team contributed extensively to the work of the South London Partnership, working with local authorities, local universities and businesses to provide consultancy and training to support business growth in local SMEs.

Income generated by Short Courses has now surpassed the income generated in the last full year pre-Covid, supported by a recovery in student numbers and the introduction of a number of new courses in 2022-23, including British Sign Language and Pilates instructor qualifications. The team also developed their first blended delivery programme, in Nutrition, which successfully ran twice during the year with positive student feedback. The team are now looking to develop more blended delivery programmes in nutrition and related fields to complement our established face to face programmes. 2023-24 is the 25th anniversary of the launch of massage courses at St Mary's, and we look forward to continuing to build our provision in this area, with new qualifications in reflexology and massage introduced in the year ahead.

Key Performance Indicators

To support the advancement of our Vision 2030 objectives, we have built KPIs into our strategic plan. These have been developed to ensure St Mary's is continually seeking to improve on all measures. They enable a greater focus and scrutiny across a wide range of key performance areas. These include Student continuation, Degree completion, Progression to professional employment or further study, Student satisfaction, Student Numbers (overall and International students), Staff Turnover, Research income, Revenues from Strategic Partnerships, Enterprise income, and sustainability.

National Student Survey

Following two years in which St Mary's response to the impact of the COVID-19 pandemic saw the University record exceptional NSS results relative to the sector, NSS 2023 more closely resembles the pre-pandemic *status quo* as the impact of COVID-19 wanes. This being the case, St Mary's relative position amongst sector institutions has fallen in NSS 2023.

Strategic Report (continued): Year ended 31 July 2023

National Student Survey (continued)

Our scores have remained consistently high, but others have recovered from their low scores during COVID, a problem we did not have to the same extent. The University has maintained its strong position relative to other London universities in NSS 2023, ranking 1st in London for Academic Support, 2nd in both Learning Opportunities and Organisation & Management, and 3rd for The Teaching on My Course.

Graduate Prospects

St Mary's has recorded excellent results for the latest Graduate Outcomes Survey, including significant improvements in the percentage figures for graduates in highly skilled employment and graduates in highly skilled employment and/or further study.

For the first time St Mary's is outperforming both the sector and London averages for UK-domiciled graduates in highly skilled employment and/or further study 15 months after graduation at Undergraduate and Postgraduate levels of study.

At 2.2%, the unemployment rate for St Mary's graduates is now at the lowest it has been since the Graduate Outcomes Survey began in 2017. St Mary's ranks 3rd in the sector and 1st in London for low graduate unemployment.

Good Honours

The proportion of students gaining good honours in 2022-23 was 75%, returning to our pre-pandemic level and in accordance with the direction set by the OfS for the sector. Unfortunately, as the percentage of good honours awarded comes down, so the attainment gap between white and BAME students tends to increase, and this was the case in 2021-22. The University continues to work towards commitments in its Access and Participation Plan to closing the attainment gap for UK-domiciled BAME students.

Student Retention

The University continues to work hard to make progress against KPIs relating to student retention. Although the annual retention cycle is ongoing, as of September 2023 the University has recorded an improvement in First Degree retention of about 2 percentage points on the previous year. However, 2022 was a particularly poor year in terms of student retention, possibly exacerbated by the pandemic. There continues to be room for improvement and a refreshed retention strategy will focus on reducing the rate of student withdrawals.

Teaching Excellence Framework

The results of the latest TEF show that St Mary's University has retained its Silver rating for teaching excellence. Furthermore, we have achieved a Gold rating for our Student Experience, and Silver for Student Outcomes, for a combined score of Silver. This is an excellent outcome for the University and reflects the hard work and dedication that went into our submission.

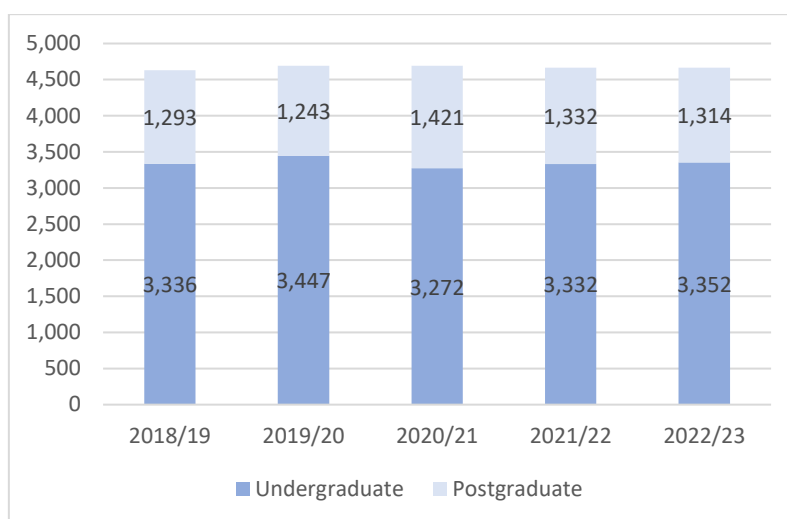
Student Numbers

Total Full Time Equivalent (FTE) undergraduate and postgraduate student numbers for the year ended 31 July 2023 was 4,666 FTE. The table below shows undergraduate and postgraduate FTE numbers over the past five years.

Strategic Report (continued): Year ended 31 July 2023

Student Numbers (continued)

5 Year FTE Summary



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

Financial performance in the year

2023	2022
Total income: £57,647k	Total income: £54,358k
Total expenditure: £57,288k	Total expenditure: £53,927k
EBITDA: £4,762k	EBITDA £5,154k
Surplus: £359k	Surplus: £431k

The University's statutory net surplus for the year is £359k, a small decline of c. £0.1m compared with the prior year and materially in line with budget. This represents a second successive year that the University has recorded a net surplus. The University continued to focus on underlying cost control throughout the year.

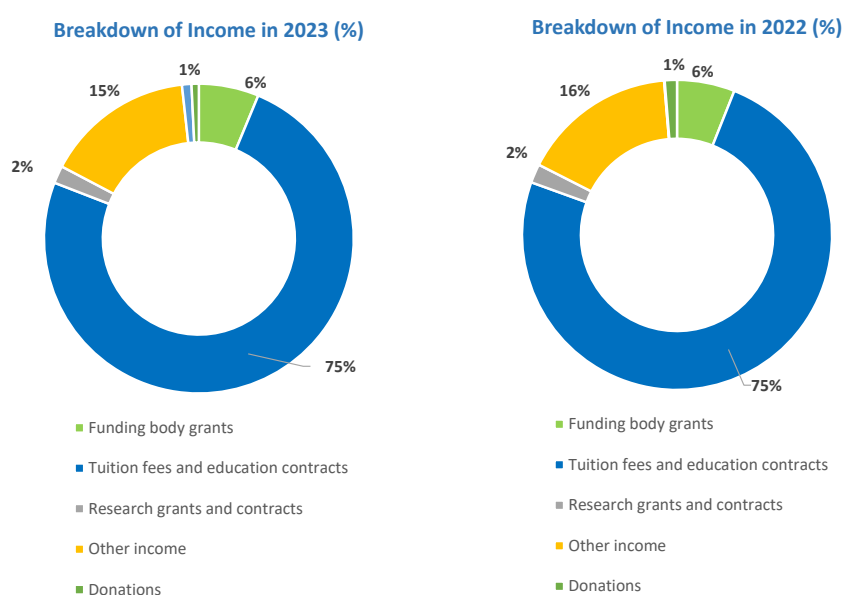
Strategic Report (continued): Year ended 31 July 2023

Financial performance in the year (continued)

EBITDA ('Earnings Before Interest, Tax, Depreciation and Amortisation') for 2022-23 was £4.8m (2022: £5.2m). This represents an operating margin of 8.3% (2022: 9.5%) broadly in line with the University's budget for the year.

This year statutory income has increased by £3.3m and overall costs have increased by £3.4m. The increase in income reflects additional revenues from new partnership arrangements, growth in research, as well as the continued recovery in our ancillary income, in particular catering and other enterprise activity following the pandemic years. The increase in costs largely reflects the impact of higher inflationary pressures on our Operating costs (especially staff costs and utilities), together with focused investment around the development of a Medical School and additional marketing expenditure. The University's cost base was nevertheless well controlled and operating costs were c.£0.7m under budget.

Income



Total income for 2023 was £57.6m (2022: £54.4m), a £3.2m increase (6.0%) on the prior year.

Tuition fees have increased by £2.5m (6.2%), largely reflecting growth in international student recruitment in September 2022 and an increase in our off-campus student body involving partner organisations. As a teaching intensive University, 75% (2022:74%) of our income was generated through tuition fees.

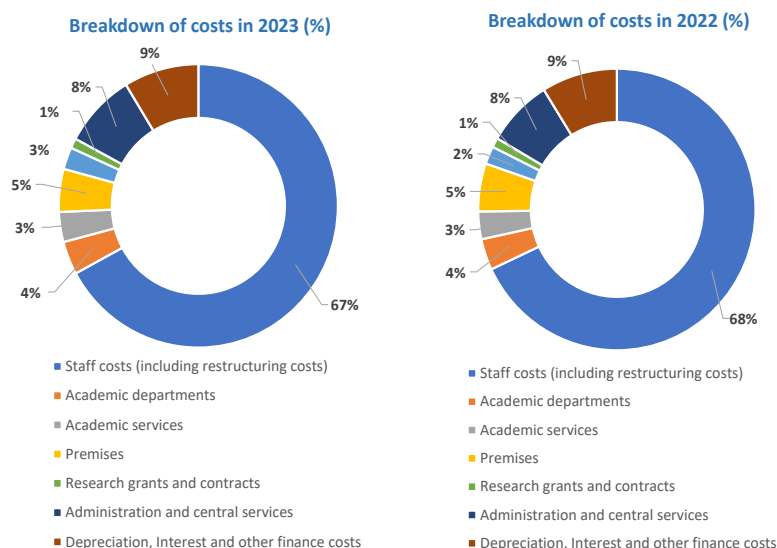
Other income increased by £0.2m as the University consolidated its recovery in Ancillary income following the return to face-to-face teaching and more normal campus activity. This recovery was broad and across all ancillary activities, notably Residences, Catering and Sports St Marys and other income generating activities, including Enterprise, Research projects within Faculties, Conferencing and Development.

As a result, the proportion of income from non-tuition fee sources remained steady at 25% following 3% growth in the preceding year. The University remains focused on its efforts to diversify income streams and increase the proportion of income from non-tuition fee sources.

Strategic Report (continued): Year ended 31 July 2023

Financial performance in the year (continued)

Operating Expenditure



Expenditure in the year totalled £57.3m, an increase of £3.4m, (6.2%) from the prior year. The University has seen a large increase in its input costs reflecting the impact of increasing inflationary pressures and the on-going cost of living crisis. Despite this, the University maintained continued strengthened cost controls to minimise the impact of these external factors over both staff costs and non-staff expenditure.

Staff costs were £38.4m, representing 67% of turnover (2022: £36.7m, 67%). The University has continued to face a more challenging environment with the recruitment of staff throughout the year in the wake of the pandemic, although this has shown signs of easing as the year unfolded. Our staff costs as a percentage of turnover, which has remained steady at 67%, will not always be directly comparable to other higher education institutions due to the fact that the University continues to operate almost all services in-house, whereas other universities commonly outsource significant elements of estates, security and catering operations, and which therefore appear as non-staff costs in their financial statements.

Strengthened controls over non-staff costs were maintained, partially to mitigate residual risks associated with the tail-end of the pandemic and the financial impact of student recruitment in the autumn of 2021 but also to navigate the challenges presented by increasing inflationary pressures. The University has also continued to invest in new business development activities throughout the year, such as the planned establishment of a new Medical School. A combination of all of these factors resulted in an increase in non-staff other operating expenses of 11% from £12.5m to £13.9m.

Capital investment expenditure

The University continued its commitment to increasing its investment in the St Mary's campus and facilities with expenditure across a wide number of projects. In total, Capital Expenditure for the year was £4.5m (2022: £4.2m). This included new investment on the 'Student Heart' project (Phase 2), focusing on the extensive remodelling of core areas of the campus shared by students, following on from the completion of Phase 1 which opened in May 2022. A further £1m was invested in improving student accommodation this year, the start of an ongoing modernisation project of our student accommodation over the coming years which will see a gradual increase in the number of self-catering rooms. Further investment was channelled towards upgrading teaching facilities and equipment. During 2022-23, the University secured an OfS bid for Capital funding worth c. £1.8m and validated the first Computer Sciences programmes at St Mary's.

Strategic Report (continued): Year ended 31 July 2023

Financial performance in the year (continued)

Cash flow, financing and balance sheet

2023	2022
Net operating cash inflow:	Net operating cash inflow:
£2,214k	£5,739k
Cash and short-term deposits:	Cash and short-term deposits:
£13,781k	£16,640k
Cash days:	Cash days:
96	124
Net assets:	Net assets:
£110,188k	£109,829k

During the year the University generated net cash inflow from operating activities of £2.2m, a decrease of £3.5m to that in 2021-22 (£5.7m inflow), reflecting the financial surplus after adjusting for non-cash items. Total cash and cash equivalents decreased in the year by £2.9m to £13.8m (2022: £16.6m), reflecting the operating cash inflow offset by the increase in Capital Expenditure.

The University's Cash Days' KPI has decreased year-on-year to 96 days but remains well in excess of our target level. The University's liquidity position has become more robust over the course of the past few years, both in terms of the increase in the level of cash reserves, the additional loan capital received at the start of 2020-21 and the continued unused £2m 'evergreen' overdraft facility and £3m revolving credit facility. The revolving credit facility has not been utilised to date; in large part its purpose remains to provide the University with additional 'headroom' in order to reduce our liquidity risk.

Total net assets increased to £110.2m (2022: £109.8m), which reflects the Net Surplus for the year, as well as the application of an Asset ceiling adjustment of £9.6m (2022: £2.6m) on the below-the-line actuarial gain on pensions which was recorded in comprehensive income. Despite the challenges faced by the higher education sector in general, our external borrowing remained low and has decreased from £4.4m to £3.4m, following loan repayments of £1.0m during the year. With continued strong cost controls in place, we have not utilised our overdraft or revolving credit facilities.

Taxation

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

Strategic Report (continued): Year ended 31 July 2023

Financial performance in the year (continued)

Reserves and Investment Policy

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

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

Pensions

Whilst there was an underlying actuarial gain on the defined benefit scheme of £9.6m (2022: £14.9m) arising from changes in actuarial assumptions, no gain was recognised in the Statement of Comprehensive Income as the University continued to apply an Asset ceiling. The University is currently making annual payments in order to reduce the deficit under the most recent comprehensive actuarial valuation as at 31 March 2022. The University does not participate in the Universities Superannuation Scheme ('USS').

Future Prospects

Changes in the external environment and St Mary's responses

There continues to be a competitive recruitment environment for both domestic and international students. St Mary's is in a strong position to respond to these challenges with prudent financial planning, a refreshed course portfolio, and a continuing focus on activities, improvements and enhancements to bolster student completion rates and reduce attrition. The University continues to explore opportunities to build on its strengths, undertaking refurbishment and upgrade works to the physical campus and in the digital sphere.

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

The University continually reviews its portfolio of programmes to ensure that it meets student demand. The University also continues to develop and grow its Allied Health offer and move into new areas such as Computer Science. Following the awarding of Research Degree Awarding Powers (RDAP) in April 2021 the University is expanding its Doctoral and Postdoctoral programmes under the St Mary's banner across a number of specialisms in its portfolio, with the Doctor of Ministry and Doctor of Professional Studies in Strength and Conditioning, amongst others, commencing in the 2022-23 academic year.

The University has planned a series of investments in the coming year to support the activities outlined in this report. These will include projects to upgrade our student accommodation and the next phase of our Student Heart project. Continued investment in our IT infrastructure will focus increasingly on the flexibility of our Learning and Teaching environments ensuring that St Mary's is able to offer a range of options for prospective students to ensure the widest participation possible.

Strategic Report (continued): Year ended 31 July 2023

Future Prospects (continued)

Future financial forecasts

Student recruitment achieved in autumn 2022 fell slightly short of our original targets. However, because of the greater percentage of international students recruited we were able to deliver a Net Surplus for 2022-23 which was broadly in line with budget. Although our cost to income ratio remains stubbornly high, we continue efforts to refine our business model and target an improvement in this position by developing greater economies of scale.

We have maintained our focus on business growth and we now have several significant partnerships both nationally and internationally, which will allow us to reach new markets and demographics. Going forward, we will also target growth through the introduction of an online distribution channel and through further broadening of our portfolio. Strong cost control and effective resource management will continue to be important in the coming year.

Student recruitment in autumn 2023 has fallen somewhat short of our target, however we expect to be able to off-set this by accelerating new growth initiatives and efficiency improvements. Therefore, the budget approved for the next financial year ended 31 July 2024 is expected once again to result in a meaningful operating surplus in terms of underlying Earnings Before Interest, Taxation, Depreciation and Amortisation ('EBITDA'). We also expect to report a modest 'bottom line' Net Surplus for the third year in succession.

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

Financing, treasury and liquidity

We have continued to invest in our infrastructure to attract students and staff and we have invested in a number of renovation projects this year and this included new investment on the 'Student Heart' project (Phase 2), focusing on the extensive remodelling of core areas of the campus shared by students, following on from the completion of Phase 1 which opened in May 2022. A further £1m was invested in improving student accommodation this year, the start of an ongoing modernisation project of our student accommodation over the coming years which will see a gradual increase in the number of self-catering rooms. Over the years to come, we aim to invest further to support our medium-term growth plans, to create additional capacity for teaching and to improve our student accommodation facilities.

The University continues to enjoy very low level of external borrowings by the standards of the sector, and year end cash balances are in line with our plans. Over the past few years we have focused on bolstering our liquidity position to provide us with the strong financial platform from which to improve our student experience and the quality of educational outcomes. We continue to look forward from a position of strength as we continue to grow a sustainable future for the University.

Strategic Report (continued): Year ended 31 July 2023

Risk Management and Principal Risks and Uncertainties

The Risk Management Process

The University's Risk Management Process, based on sector best practice, is overseen by the Audit Committee and includes a Risk Management Policy and Procedure, and Strategic Risk, Emerging Risk and Opportunities registers. Further information on the University's Risk Management Framework can be found in the Statement of Corporate Governance and Internal Control on pages 12-15.

Principal Risks & Uncertainties

The University's Strategic Risk Register is aligned to the aims and objectives set out in Vision 2030. The most significant risk based on the level of residual risk after mitigating actions and controls is considered to be student recruitment; we are seeing continued changes in the recruitment market, including the expansion of Russell Group institutions, changing application and clearing patterns, and changes in the behaviour of the post-COVID employment market. However, a number of other risks remain a high priority for management, particularly related to student retention, the management of a growing number of academic partnerships, and the need to develop improved business models to promote the long-term prosperity of the institution in the context of an evolving external policy environment.

The risk of failing to meet student retention targets remains and is an area currently under review. The impact of the pandemic on the student experience and mental health has also exacerbated the risk of attrition. The University continues to work to address the challenges of student retention, with the measures and interventions put in place over recent years starting to make improvements.

Like many other organisations across the UK, the University is experiencing a fiercely competitive staff recruitment market. We continue to review our pay and benefits package and our recruitment practices to ensure that the University is an attractive place to work.

Going Concern

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

The University retains substantial lines of credit, including a £2m 'evergreen' overdraft facility and a £3m five-year term revolving credit facility, both undrawn at the present time.

The University's overall liquidity position of £15.2m, including £1.4m current investment in a highly liquid ESG bond fund with low levels of market risk, is approximately three times the OfS' 30 days' liquidity mark and continues to provide a strong financial anchor for the University as we continue to develop plans and diversify the University's income streams in line with our Vision 2030 strategic plans. If the University's un-drawn overdraft facility (£2m) and revolving credit facility (£3m) are taken into account, available liquid resources cover over 4 months of total expenditure.

Operating profit in the year to 31 July 2023 is £4.8m, a slight decrease on the prior year, however we are for the second successive year reporting a net surplus. With an ongoing focus on improving our operating efficiencies and business models, the University is confident that it will be able further to improve its operating profitability over the next few years and generate the levels of cash flow required to unlock the greater levels of investment which will promote the University's long-term success in line with our strategic aims outlined on page 17.

Strategic Report (continued): Year ended 31 July 2023

Going Concern (continued)

Our planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. Student recruitment in autumn 2023 has fallen somewhat short of our target, however we expect to be able to off-set this by accelerating new growth initiatives and efficiency improvements.

We have undertaken various stress scenarios, simulating a range of adverse scenarios using reasonable assumptions. Considering the existence of the University's other lines of credit, the increased strength of the University's liquidity position is such that it should be able to navigate the foreseeable future even under the adverse scenarios which have been modelled. After reviewing the group's forecasts and projections for the period to 31 July 2025, we have a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future.

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

Signed on behalf of the Board of Governors on 22 November 2023.

Bishop Richard Moth
Governor (Chairman)

Anthony McClaran
Governor (Vice-Chancellor)

Statement of Responsibility of the Board of Governors of St Mary's University: Year ended 31 July 2023

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

Company law requires the members of the Board to prepare financial statements for each financial year. Under that law the members of the Board have elected to prepare the group and University financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the members of the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the University and of the surplus of income over expenditure of the group and University for that period.

In preparing these financial statements, the members of the Board are required to:

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

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

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

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

Independent Auditor's Report to the Members of St Mary's University: Year ended 31 July 2023

Opinion on the financial statements

In our opinion, the financial statements:

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

We have audited the financial statements of St. Mary's University, Twickenham ("the University") and its subsidiaries (the Group) for the year ended 31 July 2023 which comprise Consolidated and University Statement of Comprehensive Income, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Balance Sheet and the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

We are independent of the Group and 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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and 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 Governors with respect to going concern are described in the relevant sections of this report.

Other information

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

Independent Auditor's Report to the Members of St Mary's University (continued): Year ended 31 July 2023

Other information (continued)

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.

Other Companies Act 2006 reporting

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

- the information given in the annual report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report, which are included in the annual report have been prepared in accordance with applicable legal requirements.

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

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

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

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

In our opinion, in all material respects:

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

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

- The University's grant and fee income, as disclosed in note 7 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.

Independent Auditor's Report to the Members of St Mary's University (continued): Year ended 31 July 2023

Responsibilities of the Board of Governors

As explained more fully in the Statement of Responsibility of the Board of Governors, the Board of Governors (who are also the directors of the University for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the sector in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations; and
- Direct representation from the Accountable Officer.

We considered the significant laws and regulations to be United Kingdom Generally Accepted Practice, compliance with the Accounts Direction OfS 2019.41 and UK tax legislation.

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

Our procedures in respect of the above included:

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

Independent Auditor's Report to the Members of St Mary's University (continued): Year ended 31 July 2023

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

Fraud

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

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

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue and areas which involves significant judgments and estimates.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criterion, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including determination of leases, assessment on impairment of tangible and intangible assets, pension asset ceiling application, valuation of pension liability and useful lives of depreciable assets;
- Testing a sample of recorded other income by agreeing to underlying documentation.

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

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

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

Independent Auditor’s Report to the Members of St Mary’s University (continued): Year ended 31 July 2023

Use of our report

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

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

Date:

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

Consolidated and University Statement of Comprehensive Income: Year ended 31 July 2023

Company Registration number: 05977277

	Notes	Consolidated		University	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Income					
Funding body grants	1	3,639	3,278	3,639	3,278
Tuition fees and education contracts	2	43,005	40,486	43,005	40,486
Research grants and contracts	3	1,032	1,069	1,032	1,069
Other income	4	8,962	8,798	8,353	8,142
Investment income	5	571	36	551	34
Donations	6	438	691	438	691
Total Income		57,647	54,358	57,018	53,700
Expenditure					
Staff costs	8	38,345	36,581	38,276	36,514
Restructuring costs	8	93	101	93	101
Other operating expenses	9	13,876	12,486	13,457	12,288
Depreciation	12	4,745	4,302	4,719	4,281
Interest and other finance costs	11	229	457	229	457
Total Expenditure		57,288	53,927	56,774	53,641
Surplus before other gains/(losses)		359	431	244	59
Surplus before tax		359	431	244	59
Taxation		-	-	-	-
Surplus for the year		359	431	244	59
Actuarial gain in respect of pension schemes	21	-	14,897	-	14,897
Total comprehensive income for the year		359	15,328	244	14,956
Represented by:					
Restricted comprehensive (expenditure) / income		(8)	88	(8)	88
Unrestricted comprehensive income		2,164	17,040	2,044	16,662
Revaluation reserve comprehensive (expenditure)		(1,797)	(1,800)	(1,792)	(1,794)
		359	15,328	244	14,956

All activities are continuing.

The statement of Accounting Policies and notes on pages 44 to 66 form part of these financial statements.

Consolidated and University Statement of Changes in Reserves: Year ended 31 July 2023

Company Registration number: 05977277

	Notes	Income and expenditure account - Restricted	Income and expenditure account - Unrestricted	Revaluation Reserve	Total
Consolidated		£'000	£'000	£'000	£'000
Balance at 1 August 2021		103	26,675	67,723	94,501
Surplus/(Deficit) from the statement of comprehensive income		556	(125)	-	431
Actuarial gain in respect of pension schemes	21	-	14,897	-	14,897
Release of restricted funds spent in year		(468)	468	-	-
Transfers between revaluation and income and expenditure reserve		-	1,800	(1,800)	-
Total comprehensive income / (expenditure) for the year		88	17,040	(1,800)	15,328
Balance at 1 August 2022		191	43,715	65,923	109,829
Surplus/(Deficit) from the statement of comprehensive income		421	(62)	-	359
Actuarial gain in respect of pension schemes	21	-	-	-	-
Release of restricted funds spent in year		(429)	429	-	-
Transfers between revaluation and income and expenditure reserve		-	1,797	(1,797)	-
Total comprehensive (expenditure) / income for the year		(8)	2,164	(1,797)	359
Balance at 31 July 2023		183	45,879	64,126	110,188
University					
Balance at 1 August 2021		104	26,272	67,579	93,955
Surplus/(Deficit) from the statement of comprehensive income		556	(497)	-	59
Actuarial gain in respect of pension schemes	21	-	14,897	-	14,897
Release of restricted funds spent in year		(468)	468	-	-
Transfers between revaluation and income and expenditure reserve		-	1,794	(1,794)	-
Total comprehensive income / (expenditure) for the year		88	16,662	(1,794)	14,956
Balance at 1 August 2022		192	42,934	65,785	108,911
Surplus/(Deficit) from the statement of comprehensive income		421	(177)	-	244
Actuarial gain in respect of pension schemes	21	-	-	-	-
Release of restricted funds spent in year		(429)	429	-	-
Transfers between revaluation and income and expenditure reserve		-	1,792	(1,792)	-
Total comprehensive (expenditure) / income for the year		(8)	2,044	(1,792)	244
Balance at 31 July 2023		184	44,978	63,993	109,155

The Statement of Accounting Policies and notes on pages 44 to 66 form part of these financial statements.

Consolidated and University Balance Sheet: Year ended 31 July 2023

Company Registration number: 05977277

	Notes	Consolidated		University	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Non-current assets					
Fixed Assets	12	106,138	106,518	105,628	105,973
Heritage Assets	12	455	455	455	455
Intangible Assets	14	3,619	3,456	3,619	3,456
		110,212	110,429	109,702	109,884
Current assets					
Stock		36	37	25	26
Trade and other receivables	16	3,601	3,133	4,009	4,235
Investment	19	1,420	1,447	1,420	1,447
Cash and cash equivalents	22	13,781	16,640	12,745	14,949
		18,838	21,257	18,198	20,657
Less creditors: amounts falling due within one year	17	(10,809)	(12,363)	(10,688)	(12,137)
Net current assets		8,029	8,894	7,510	8,520
Total assets less current liabilities		118,241	119,323	117,212	118,404
Creditors: amounts falling due after more than one year	17	(7,283)	(8,630)	(7,283)	(8,629)
Provisions and liabilities					
Pension Provision	21	-	-	-	-
Other Provisions	18	(770)	(864)	(770)	(864)
		(770)	(864)	(770)	(864)
Total net assets		110,188	109,829	109,159	108,911
Restricted reserves					
Restricted Reserve		183	191	184	192
Unrestricted reserves					
Income and expenditure account reserve		45,879	43,715	44,978	42,934
Revaluation reserves		64,126	65,923	63,993	65,785
Total Reserves		110,188	109,829	109,155	108,911

The statement of Accounting Policies and notes on pages 44 to 66 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Governors on 22 November 2023 and were signed on its behalf by:

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

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

Consolidated Statement of Cash Flows: Year ended 31 July 2023

Company Registration number: 05977277

	Consolidated	
	2023	2022
	£'000	£'000
Cash flow from operating activities		
Surplus for the year	359	431
Adjustment for non-cash items		
Depreciation	4,259	3,765
Amortisation	486	537
Loss on investments	27	53
Decrease / (increase) in stock	1	(13)
(Increase) in debtors	(401)	(1,036)
(Decrease)/ increase in creditors	(1,487)	1,874
Decrease in provisions	(94)	(36)
Pension costs less contributions payable	(67)	477
Capital grants released to income	(527)	(510)
Adjustment for investing or financing activities		
Interest payable	229	233
Interest receivable	(571)	(36)
Net cash inflow from operating activities	2,214	5,739
Cash flows from investing activities		
Payments made to acquire fixed assets and intangible assets	(4,528)	(4,186)
Government capital grants received	138	743
Interest income	571	36
	(3,819)	(3,407)
Cash flows from financing activities		
Interest paid	(229)	(233)
Repayments of amounts borrowed	(1,025)	(1,025)
	(1,254)	(1,258)
(Decrease) / Increase in cash and cash equivalents in the year	(2,859)	1,074
Cash and cash equivalents at beginning of the year	16,640	15,566
Cash and cash equivalents at end of the year	13,781	16,640

The Statement of Accounting Policies and notes on pages 44 to 66 form part of these financial statements.

Statement of Accounting Policies: Year ended 31 July 2023

Legal Structure

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

A. Basis of preparation

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

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

B. Going concern

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

The University retains up to £9m of additional credit facilities whilst still maintaining one of the lowest levels of gearing or leverage in the sector. These facilities include a £2m 'evergreen' overdraft facility and a £3m five-year term revolving credit facility, both undrawn at the present time.

The University's overall liquidity position of £15.2m, including £1.4m current investment in a highly liquid ESG bond fund with low levels of market risk, is approximately three times the OfS' 30 days' liquidity mark and continues to provide a strong financial anchor for the University as we continue to develop plans and diversify the University's income streams in line with our Vision 2030 strategic plans. If the University's un-drawn overdraft facility (£2m) and revolving credit facility (£3m) are included, available liquid resources cover over 4 months of total expenditure.

Operating profit in the year to 31 July 2023 is £4.8m, a decrease on the prior year, however we are for the second year running reporting a net surplus, a second net surplus since 2015. With an ongoing focus on improving our operating efficiencies and business models, the University is confident that it will be able further to improve its operating profitability over the next few years and generate the levels of cash flow required to unlock the greater levels of investment which will promote the University's long-term success in line with our strategic aims outlined on page 19.

Our planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. Student recruitment in autumn 2023 has fallen somewhat short of our target however, we expect to be able to off-set this by accelerating new growth initiatives and efficiency improvements. We have undertaken various stress scenarios, simulating a range of adverse scenarios using reasonable assumptions. Considering the existence of the University's other lines of credit, the increased strength of the University's liquidity position is such that it should be able to navigate the foreseeable future even under the adverse scenarios which have been modelled. After reviewing the group's forecasts and projections for the period to 31 July 2025, we have a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future.

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

C. Parent company disclosure exemptions

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

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

Statement of Accounting Policies (continued): Year ended 31 July 2023

D. Basis of consolidation

The consolidated financial statements include St Mary's University, Twickenham (St Mary's) and its subsidiary (the "Group") for the financial year ended 31 July 2023.

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

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

E. Income recognition

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

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

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

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

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

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

F. Accounting for retirement benefits

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

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

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

Statement of Accounting Policies (continued): Year ended 31 July 2023

F. Accounting for retirement benefits (continued)

A net difference between the fair value of the assets held in the Group's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method and is recognised on the Group's Balance Sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted via an "asset ceiling" to the extent that the Group is not able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

G. Employment benefits

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

H. Operating leases

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

I. Foreign currency

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

Transactions in foreign currencies are translated to the respective functional currencies at the foreign exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

J. Tangible fixed assets

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

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

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

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

K. Intangible assets

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

L. Depreciation

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

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

Statement of Accounting Policies (continued): Year ended 31 July 2023

L. Depreciation (continued)

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

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

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

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

M. Heritage assets

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

N. Impairment of assets

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

O. Borrowing costs

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

P. Stock

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

Q. Financial liabilities and equity

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

R. Cash and cash equivalents

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

S. Short term investments

Short term investments are carried as fair value which is taken to be the price that would be received at the sale of the asset in an orderly transaction between market participants.

T. Debt instruments

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

Statement of Accounting Policies (continued): Year ended 31 July 2023

U. Short-term debtors and creditors

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

V. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

A contingent liability arises from a past event that gives the Group a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. A contingent asset arises where an event has taken place that gives the Group a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group. Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

W. Taxation

The University is considered to satisfy the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2011 or Section 256 of the Taxation Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. Subsidiary companies are liable to corporation tax.

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

X. Reserves

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

Y. Agency Arrangements

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

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

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

- Determine whether leases entered into by the Group either as a lessor or a lessee are operating or lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Group's assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- That an asset ceiling should be applied to the net pension asset at the year-end as the asset is not recoverable either through reduced contributions or refund from the scheme.

Statement of Accounting Policies (continued): Year ended 31 July 2023

Z. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

- The University has entered into a number of franchise partnerships with third parties to provide education services to students. Determining whether the University is acting as a principal or as an agent in these arrangements requires judgement and the consideration of all relevant facts and circumstances. Where the University is exposed to the significant risks and rewards associated with the provision of the education services the University recognises the full amount of fees invoiced to the student as its revenue and the amount passed onto the delivery partner is included in operating expenses. Where the University is not exposed to the significant risks and rewards associated with the education services the University recognises as revenue the fees retained net of the payment to the partner of the collaborative provision fees. If the University had determined that it was acting as principal in its major franchise partnerships contracts, Tuition Fees recognised would have been £4.3m higher and operating costs recognised would also have been £4.3m higher. Such a gross-up would have no impact on the operating surplus, the net surplus of the University, net assets or cashflow.

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

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as product life cycles and maintenance programmes are considered.
- The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation such as standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense. Further details are given in note 21.
- Strawberry Hill Trust liability. The University has an obligation to make annual payments to Strawberry Hill Trust for the ongoing maintenance of Strawberry Hill House until 31 July 2025. The future payments are discounted at a rate of 5.0% (2022: 5.0%), based on the interest rate of University's Santander loan which is approximated as the average cost of capital of the University. This obligation will vary should Strawberry Hill Trust receive funding exceeding £80k per annum or should the University's weighted average cost of capital change. Further details are given in note 18.

Notes to the Financial Statements: Year ended 31 July 2023

1 Funding body grants

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Recurrent Grant				
Office for Students (OfS)	1,645	1,498	1,645	1,498
Research England	944	686	944	686
Specific Grants				
Special initiatives - OfS/Research England	523	584	523	584
Deferred capital grants released in year				
Buildings	527	510	527	510
	3,639	3,278	3,639	3,278

2 Tuition fees and education contracts

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Full time home and EU students	30,889	31,769	30,889	31,769
Full time international students	8,158	4,980	8,158	4,980
Part time students	3,385	3,246	3,385	3,246
Non credit bearing course fees	573	491	573	491
	43,005	40,486	43,005	40,486

3 Research grants and contracts

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Research councils, charities, government and industry	1,032	1,069	1,032	1,069
	1,032	1,069	1,032	1,069

4 Other income

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Residences, catering and conferences	7,328	6,608	6,526	5,998
Other services rendered	217	266	217	247
Job Retention Scheme grant	-	15	-	15
Other income	1,417	1,909	1,610	1,882
	8,962	8,798	8,353	8,142

Notes to the Financial Statements (continued): Year ended 31 July 2023

5 Investment income

	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Bank interest	571	36	551	34
	571	36	551	34

6 Donations

	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Donations with restrictions	421	556	421	556
Unrestricted donations	17	135	17	135
	438	691	438	691

7 Grant and fee income

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

	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Grant income from the OfS	1,333	1,351	1,333	1,351
Grant income from other bodies	2,527	2,643	2,527	2,643
Fee income for research awards (exclusive of VAT)	739	637	739	637
Fee income from non-qualifying courses (exclusive of VAT)	573	491	573	491
Fee income for taught awards (exclusive of VAT)	41,693	39,358	41,693	39,358
	46,865	44,480	46,865	44,480

Grant income from the OfS excludes £676,000 (2022: £619,000) Access Participation student premium funding allocated to support successful student outcomes and Disabled students' premium. Grant income from other bodies includes £nil (2022: £15,000) received through the Job Retention Scheme.

8 Staff

(a) Staff costs	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Salaries	30,570	29,022	30,513	28,967
Social security costs	3,204	2,960	3,199	2,955
Other pension costs	4,571	4,599	4,564	4,592
Redundancy and severance costs	93	101	93	101
	38,438	36,682	38,369	36,615

Included in other pension costs are £525,715 (2022: £940,485) in respect of the defined benefit schemes and £4,045,537 (2022: £3,658,377) in respect of the defined contribution schemes.

Notes to the Financial Statements (continued): Year ended 31 July 2023

8 Staff (continued)

(b) Emoluments of the Vice-Chancellor	2023	2022
	£'000	£'000
Basic salary	218	210
Performance related pay and other bonuses	15	32
Medical insurance	4	6
Other taxable benefits	54	50
	291	298

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

During the year ended 31 July 2023, Mr Anthony McClaran's basic salary was £218k. Employers national insurance regarding Vice-Chancellor amounted to £41k (2022: £39k). The Vice-Chancellor received £54k (2022: £50k) additional pension compensatory allowance. The Vice-Chancellor was awarded £15k of performance-related bonus for the year to 31 July 2023, to be paid during 2023-24. During the year ended 31 July 2023, the Vice-Chancellor received £32k of performance-related bonus for the year ended 31 July 2022.

St Mary's Vice-Chancellor salary as a multiple of median staff pay for 2022-23 was 5.8 (2021-22: 5.9) compared with a sector average in 2022 of 6.9 (2021-22: 7.0). Remuneration of the Vice-Chancellor as a multiple of median staff total remuneration was 6.8 (2021-22: 6.8). Vice-Chancellor salary was 1.54% lower than comparable Vice-Chancellor pay in relevant benchmarking groups from the UCEA senior remuneration survey data.

(c) Basic salary of other higher paid staff excluding employers national insurance and pension contributions:	Consolidated	
	2023 Number	2022 Number
£115,000-£119,999	2	1
£125,000-£129,999	-	1
£130,000-£134,999	1	1
£135,000-£139,999	1	1
£145,000-£149,999	1	-
£210,000-£214,999	-	1
£215,000-£219,999	1	-
	6	5

Emoluments to the Vice-Chancellor are included in the above table for 2022-23 and are disclosed in note 8(b) for both years.

Notes to the Financial Statements (continued): Year ended 31 July 2023

8 Staff (continued)

(d) Key management personnel:

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

Key management personnel were paid total compensation for the year ended 31 July 2023 of £796,000 (2022: £933,000).

(e) Emoluments of the Governors:

The total emoluments of all Governors in the year amounted to £379,000 (2022: £394,000) which includes pension contributions of £18,000 (2022: £18,000). These emoluments are in respect of the Vice-Chancellor and staff Governors in their capacity as members of staff. No other Governors received remuneration. One Governor accrued retirement benefits under a defined benefit scheme. The employer pension contributions to this scheme amounted to £14,000 (2022: £13,000). No other payments were made or benefits transferred to Governors with respect to long term incentive schemes. Travel expenses reimbursed to Governors during the year amounted to £nil (2022 £nil).

(f) Average weekly number of persons (including senior post-holders) employed by the University during the year, expressed as full-time equivalents:	Total full-time equivalents	
	2023 Number	2022 Number
Academic schools and research	270	262
Academic support services	117	106
Estates, catering and conferences	101	104
Central services	142	135
	630	607

(g) Severance payments

During the year the University paid £93k in compensation for loss of office being paid to 6 employees (2022: £101k to 6 employees).

(h) Access and Participation - staff expenditure

	Consolidated	
	2023 £'000	2022 £'000
Access Investment	347	323
Financial Support	-	-
Disability Support (excluding expenditure included in the two categories above)	306	287
Research and Evaluation	48	45
	701	655

Notes to the Financial Statements (continued): Year ended 31 July 2023

9 Analysis of other operating expenditure by activity

	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Academic departments	2,173	1,930	2,173	1,930
Academic services	1,963	1,712	1,963	1,712
Premises	2,803	2,975	2,803	2,975
Residences, catering and conference	1,436	1,103	1,029	923
Research grants and contracts	650	590	650	590
Administration and central services	4,851	4,177	4,840	4,158
	13,876	12,486	13,457	12,288
Other operating expenses include:				
Auditors' remuneration				
External audit - remuneration with respect to audit services	90	71	80	63
External audit - Tax compliance	10	4	7	-
External audit - Tax advice	5	13	1	13
External audit - Other compliance	13	14	13	14
Internal audit	62	41	62	41
Operating lease rentals - property	438	427	438	427
Operating lease rentals - other	34	58	34	58

10 Access and Participation expenditure

	Consolidated	
	2023	2022
	£'000	£'000
Access Investment	423	389
Financial Support	749	723
Disability Support	332	324
Research and Evaluation	48	46
	1,552	1,482

£701k of these costs are already included in the overall staff costs figures included in the financial statements, see note 8.

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

https://accessandparticipationplans.officeforstudents.org.uk/accessplansdownloads/2024/StMarysUniversityTwickenham_APP_2020-21_V2_10007843.pdf

11 Interest and other finance costs

	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Bank loans	229	233	229	233
Net charge on pension finance interest (Note 21)	-	224	-	224
	229	457	229	457

Notes to the Financial Statements (continued): Year ended 31 July 2023

12 Tangible fixed assets

Consolidated	Freehold Land	Buildings	Site Infrastructure	Heritage Assets	Furniture equipment and vehicles	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
At 1 August 2022	39,219	85,169	4,583	455	11,041	219	140,686
Additions	-	-	-	-	-	3,878	3,878
Transfers to completed	-	1,944	-	-	1,325	(3,269)	-
Disposals	-	-	-	-	-	-	-
At 31 July 2023	39,219	87,113	4,583	455	12,366	828	144,564
Cost	6,793	41,881	874	455	12,366	833	63,202
Valuation	32,426	45,232	3,709	-	-	-	81,367
	39,219	87,113	4,583	455	12,366	828	144,569
Depreciation							
At 1 August 2022	-	22,747	1,826	-	9,140	-	33,713
Charge in year	-	3,419	229	-	611	-	4,259
Disposals	-	-	-	-	-	-	-
At 31 July 2023	-	26,166	2,055	-	9,751	-	37,972
Net book values							
At 31 July 2023	39,219	60,947	2,528	455	2,615	828	106,593
At 31 July 2022	39,219	62,422	2,757	455	1,901	219	106,973

University	Freehold Land	Buildings	Site Infrastructure	Heritage Assets	Furniture equipment and vehicles	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
At 1 August 2022	39,219	84,484	4,583	455	10,754	219	139,714
Additions	-	-	-	-	5	3,883	3,888
Transfers to completed	-	1,944	-	-	1,325	(3,269)	-
Disposals	-	-	-	-	-	-	-
At 31 July 2023	39,219	86,428	4,583	455	12,084	833	143,602
Cost	6,793	41,381	874	455	12,084	833	62,420
Valuation	32,426	45,047	3,709	-	-	-	81,182
	39,219	86,428	4,583	455	12,084	833	143,602
Depreciation							
At 1 August 2022	-	22,578	1,826	-	8,882	-	33,286
Charge in year	-	3,397	229	-	606	-	4,233
Disposals	-	-	-	-	-	-	-
At 31 July 2023	-	25,975	2,055	-	9,488	-	37,519
Net book values							
At 31 July 2023	39,219	60,453	2,528	455	2,596	833	106,083
At 31 July 2022	39,219	61,906	2,757	455	1,872	219	106,428

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

Notes to the Financial Statements (continued): Year ended 31 July 2023

13 Heritage Assets

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

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

14 Intangible Assets

Consolidated and University

	Software	Assets under construction	Total
	£'000	£'000	£'000
Cost or Valuation			
At 1 August 2022	5,359	-	5,359
Additions	-	650	650
Transfers to completed	109	(109)	-
At 31 July 2023	5,468	541	6,009
Amortisation			
At 1 August 2022	1,904	-	1,904
Charge in year	486	-	486
At 31 July 2023	2,390	-	2,390
Net book values			
At 31 July 2023	3,078	541	3,619
At 31 July 2022	3,456	-	3,456

The principal component within Intangible Assets is the University's student record system (SITS) which replaced the previous student records system (QL) in August 2020. The investment cost of £5.5m is classified as an intangible asset (software). The carrying value of the SITS system at the year-end was £3.1m (2022: £3.5m). Intangible assets are amortised using the straight-line method over the remaining estimated economic life of the assets.

15 Investments

Subsidiaries

The University holds all the issued share capital of Strawberry Hill Enterprises Limited, a company registered in England and Wales, the principal activity of which is the organisation of functions and conferences. The profits of the company are transferred to the University through a Gift Aid arrangement. The University's interest in the company at 31 July 2023 was 2 ordinary shares, at a cost of £2 (2022: £2).

During 2021-22, St Mary's acquired the sole rights to appoint the trustees of John Paul II Foundation for Sport, a charity registered in the UK, the principal activity of which is to provide community participation in healthy recreation by providing facilities for playing sports.

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

Associates

The University entered into an agreement with Geoptic Limited in May 2020 with 166 issued shares (16.6% of shareholding). Geoptic Ltd is a spinout company from the University of Sheffield, the University of Durham and St Mary's University incorporated in May 2020, whose primary purpose is to provide cosmic ray imaging services to the civil engineering sector using specialist techniques. The company issued its second annual report for the period ended 31 March 2022 in December 2022. There has been no significant activity recognised to date.

Notes to the Financial Statements (continued): Year ended 31 July 2023

16 Trade and other receivables

	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Tuition fees and payment plans	1,444	1,235	1,444	1,195
Other debtors	639	890	524	711
Prepayments and accrued income	1,518	1,008	1,464	1,007
Amounts due from subsidiary company	-	-	577	1,322
	3,601	3,133	4,009	4,235

Other debtors includes amounts owing from the Student Union (£17,501).

17 Creditors

Amounts falling due within one year	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade creditors	726	1,041	718	1,033
Social security and other taxes	993	968	970	923
Other creditors	4,019	3,965	3,970	3,878
Accruals and deferred income	3,586	4,837	3,545	4,751
Deferred capital grants - current	460	527	460	527
Bank loans - current	1,025	1,025	1,025	1,025
	10,809	12,363	10,688	12,137
Amounts falling due after one year:				
Bank loans - non current	2,350	3,375	2,350	3,375
Deferred capital grants - non current	4,933	5,255	4,933	5,254
	7,283	8,630	7,283	8,629

All bank loans are unsecured and are repayable as follows:

	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
In one year or less	1,025	1,025	1,025	1,025
Between one and two years	1,025	1,025	1,025	1,025
Between two and five years	875	1,675	875	1,675
In five years or more	450	675	450	675
Total greater than one year	2,350	3,375	2,350	3,375
Total	3,375	4,400	3,375	4,400

Notes to the Financial Statements (continued): Year ended 31 July 2023

17 Creditors (continued)

Bank debt consists of the following loans:

A £4,500,000 loan from Santander for the building of the new Sports Block Building. The loan, which was taken out in July 2010, is repayable at a fixed rate of 4.95% over 20 years. At 31 July 2023, the amount outstanding was £1,575,000 (2022: £1,800,000).

A £4,000,000 unsecured loan from Barclays for general corporate purposes in the context of the uncertainties presented by the COVID-19 pandemic. The loan, which was taken out in August 2020, is repayable over 5 years at a floating rate. At 31 July 2023, the amount outstanding was £1,800,000 (2022: £2,600,000).

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

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

18 Provisions for liabilities and charges

Consolidated and University	Pension Enhancement Provision £'000	Section 106 Planning Permission £'000	c/f bal
Balance at 1 August 2022	198	42	240
Released in the year	-	(42)	(42)
Balance at 31 July 2023	198	-	198

Consolidated and University	Lease Liability £'000	Dilapidation Provision £'000	Total Provisions £'000
Balance at 1 August 2022	206	418	864
Charged in the year	11	17	28
Utilised in the year	(80)	-	(80)
Released in the year	-	-	(42)
Balance at 31 July 2023	137	435	770

Pension Enhancement Provision

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

Discount rate 4.5%
Inflation 5.25%

In addition to the enhanced pensions which are being provided above, the University also provides enhanced pension contributions to a further 14 former employees. OfS is providing the Group with additional funds each year to meet these contributions. The costs of these payments have been recognised as a liability in the financial statements of OfS indicating OfS's expectation that they will be meeting these costs in future. They have not been recognised as a liability in the Group's balance sheet. Were OfS's position to change, the estimated cost to the Group of meeting these pension payments would be £372,185 as at 31 July 2023 (2022: £262,886).

Notes to the Financial Statements (continued): Year ended 31 July 2023

18 Provision for liabilities and charges (continued)

Strawberry Hill Trust Lease Liability

This represents the discounted value of future payments due to Strawberry Hill Trust. The University has an obligation to make annual payments to Strawberry Hill Trust for the ongoing maintenance of Strawberry Hill House. The payments are discounted using a discount rate of 5.0% (2022: 5.0%).

Dilapidation provision

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

19 Financial Instruments

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

	Group 2023 £'000	Group 2022 £'000
<i>Financial Assets</i>		
Financial Assets measured at fair value	1,420	1,447

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

20 Reserves

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

Income and expenditure account (unrestricted)

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

Income and expenditure account (restricted)

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

Revaluation Reserve

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

Notes to the Financial Statements (continued): Year ended 31 July 2023

21 Pensions

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

- Teachers' Pension Scheme (TPS) for academic staff.
- Aviva for non-academic staff.
- Wandsworth Council Pension Fund (WCPF) for non-academic staff.

Teachers' Pension Scheme

The HEI is a member of the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff.

TPS is a statutory, contributory, defined benefit scheme, governed by the TPS Regulations 2014. TPS is an unfunded scheme to which both the member and employer make contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament. The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.6% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262.0 billion and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222.2 billion, giving a notional past service deficit of £39.8 billion. The next valuation result is due to be implemented from 1 April 2024. The employer's pension costs paid to TPS in the year to 31 July 2023 amounted to £3.1m (2021-22: £2.8m). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The HEI has accounted for its contributions to the scheme as if it were a defined contribution scheme. The HEI has set out above the information available on the scheme. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Aviva Scheme

Aviva scheme is a defined contribution scheme. The default employers' contribution rates for the University's support staff increased from 4% to 6% from April 2019, with the maximum employers' contribution rate remaining at 12% of pensionable salaries for the year ended 31 July 2023, resulting in salary expense of £925,000 (2022: £841,000).

Wandsworth Council Pension Fund

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

The latest comprehensive actuarial valuation of the Fund was performed on 31 March 2022 by a qualified independent actuary. The following adjustments have been made to measure the defined benefit obligation at reporting date:

The total contribution made for the year ended 31 July 2023 was £717,000 (2022: £887,000) of which employer's contributions totalled £594,000 (2022: £761,000) and employee's contributions totalled £123,000 (2022: £126,000).

Currently, support staff contributions range from 5.5% to 12% of salary and are determined on a monthly basis by reference to earnings bandings. The University currently contributes 20.9% of staff salary. The employer contributions expected to be paid into the scheme during the year ended 31 July 2024 is £582,000.

The principal assumptions used by the actuary were:

	2023	2022
	%	%
Price increases		
CPI	2.85	2.75
Salary increases	3.20	3.1
Pension increases	2.85	2.75
Discount rate	5.15	3.40

Notes to the Financial Statements (continued): Year ended 31 July 2023

21 Pensions (continued)

The post retirement mortality tables adopted are the S3PA tables with a multiplier of 110% for males and 110% for females. These base tables are then projected using the CMI 2022 Model, allowing for a long-term rate of improvement of 1.25% per annum. The assumed life expectations from age 65 are:

	Males	Females
Retiring today	20.7 years	23.2 years
Retiring in 20 years	22.0 years	24.6 years

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

	2023 £'000	Proportion %	2022 £'000	Proportion %
Equities	21,966	58	22,059	59
Gilts	-	-	460	1
Bonds	5,903	15	5,573	15
Property	5,151	13	4,907	13
Cash	1,639	4	466	1
Multi-asset fund	3,930	10	4,210	11
Total market value of assets	38,589		39,314	

	2023 £'000	2022 £'000
Analysis of the amount shown in the balance sheet		
Total market value of assets	38,589	37,675
Asset ceiling adjustment	(9,611)	(2,639)
Total adjusted market value of assets	28,978	35,036
Present value of scheme liabilities	(28,978)	(35,036)
Net pension asset / (liability) as at 31 July	-	-

	2023 £'000	2022 £'000
Analysis of the amount charged to staff costs income and expenditure		
Employer service cost	505	990
Total operating costs	505	990

	2023 £'000	2022 £'000
Analysis of the amount that is credited to other finance income in the income and expenditure account		
Net interest on pension liabilities	-	224
Net interest on pension liabilities	-	224

The total return on fund assets for the year was £1,325,000 (2021/22 (£1,578,000)). Under FRS 102, a net pension asset can only be recognised when the University has the right to recover this through refund or a reduction in future contributions. The Directors have judged that the asset is not recoverable and the asset value has been reduced to an 'asset ceiling' such that the net pension position is zero.

	2023 £'000	2022 £'000
Re-measurement of the net assets/(defined liability)		
Return on fund assets in excess of interest	52	(2,207)
Other actuarial losses on assets	68	-
Change in financial assumptions	9,631	17,966
Change in demographic assumptions	1,053	1,907
Experience gain on defined benefit obligation	(3,998)	(130)
Changes in effect of asset ceiling	(6,806)	(2,639)
Re-measurement of the net assets	-	14,897

Notes to the Financial Statements (continued): Year ended 31 July 2023

21 Pensions (continued)

Reconciliation of defined benefit obligation	2023 £'000	2022 £'000
Opening present value of defined benefit obligation	35,036	53,734
Movement in the year		
Current service cost	505	990
Interest cost	1,174	853
Actuarial gains	(9,631)	(17,966)
Change in demographic assumptions	(1,053)	(1,907)
Experience loss on defined benefit obligation	3,998	130
Estimated benefits paid	(1,174)	(924)
Contributions by members	123	126
Closing present value of the defined benefit obligation	28,978	35,036

Reconciliation of fair value of plan assets	2023 £'000	2022 £'000
Opening fair value of employer assets	37,675	39,314
Movement in the year		
Interest on assets	1,273	629
Return on assets less interest	52	(2,207)
Administration expenses	68	(24)
Contributions by members	(22)	126
Other actuarial losses	123	-
Contributions by employer	594	761
Estimated benefits paid	(1,174)	(924)
Asset ceiling adjustment	(9,611)	(2,639)
Closing fair value of employer assets	28,978	35,036

Notes to the Financial Statements (continued): Year ended 31 July 2023

22 Cash and cash equivalents

	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Cash at bank and in hand	814	319	811	317
Short term deposits	12,967	16,321	11,934	14,632
Total Cash and cash equivalents	13,781	16,640	12,745	14,949

Analysis of net debt

	At 31 July 2022	Cash flows	Other non cash changes	At 31 July 2023
	£'000	£'000	£'000	£'000
Cash and cash equivalents				
Cash	319	495	-	814
Cash equivalents	16,321	(3,354)	-	12,967
	16,640	(2,859)	-	13,781
Borrowings				
Debt due within one year	(1,025)	1,025	(1,025)	(1,025)
Debt due after one year	(3,375)	-	1,025	(2,350)
	(4,400)	1,025	-	(3,375)
Total	12,240	(1,834)	-	10,406

23 Operating lease commitments

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

	Consolidated and University	
	2023	2022
	£'000	£'000
Annual commitments under operating leases were as follows:		
Commitments which expire within 1 year	548	543
Later than 1 year and not later than 5 years	1,134	1,965
Later than 5 years	-	45
Total commitments at 31 July	1,682	2,553

24 Capital commitments

No provision has been made for the following capital commitments at 31 July 2023.

	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Commitments contracted	2,221	1,113	2,221	1,113
Authorised but not contracted	5,279	4,199	5,279	4,199
Total commitments at 31 July	7,500	5,312	7,500	5,312

Notes to the Financial Statements (continued): Year ended 31 July 2023

25 Contingent Liabilities

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

26 Agency Arrangements

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

	Consolidated	
	2023	2022
	£'000	£'000
Balance at 1 August	(255)	63
Funding council grants	(1,244)	(2,246)
Clawbacks	30	275
Disbursed to students	1,231	1,654
Balance at 31 July	(238)	(255)

27 Related party transactions

Grants were paid to St Mary's Students Union amounting to £385,000 (2022: £400,360), an organisation in which Caitlin Finn, a member of the University Board of Governors, is the Student Union President.

At 31 July 2023 Trade Debtors outstanding (VAT inclusive) from the Student Union in relation to recharges amounted to £17,501 (2022: £296,742).

Salaries and wages recharged to the Student Union amounted to £286,097 (2022: £284,875).

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

28 Post Balance Date Events

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

Notes to the Financial Statements (continued): Year ended 31 July 2023

29 US Supplementary schedule

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

Reference	US Regulations	UK GAAP / SORP	2023		2022	
			£'000		£'000	
Consolidated Balance Sheet	Statement of Financial Position - Net assets without donor restrictions	Income and expenditure reserve & Revaluation reserve		110,005		109,638
Consolidated Balance Sheet	Statement of Financial Position - Net assets with donor restrictions	I&E - restricted reserve		183		191
Note 16 Trade and Other Receivables	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	-		-	
Note 16 Trade and Other Receivables	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		-		-
Note 12 Tangible Fixed Assets	Statement of Financial Position - Property, Plant and equipment, net	Net Book Values of Tangible Assets	106,593		106,973	
Note 12 Tangible Fixed Assets	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - pre-implementation	Net Book Values of Tangible Assets - pre-implementation		96,909		100,239
Note 12 Tangible Fixed Assets	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation with outstanding debt for original purchase	Net Book Values of Tangible Assets - post-implementation with outstanding debt for original purchase		-		-
Note 12 Tangible Fixed Assets	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation without outstanding debt for original purchase	Net Book Values of Tangible Assets - post-implementation without outstanding debt for original purchase		8,851		6,515
Note 12 Tangible Fixed Assets	Note of the Financial Statements - Statement of Financial Position - Construction in progress	Assets Under Construction		833		219
Not applicable	Statement of Financial Position - Lease right-of-use assets, net	Not applicable	-		-	
Not applicable	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Not applicable		-		-
Not applicable	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset post-implementation	Not applicable		-		-
Note 14 Intangible Assets	Statement of Financial Position - Goodwill (and other intangibles)	Intangible assets	-	3,619		-
Balance Sheet	Statement of Financial Position - Post-employment and pension liabilities	Pension Provision		-		-
Note 22 Cash and Cash Equivalents	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Borrowings - Debt due within one year + debt due after 1 year	3,375		4,400	
Note 22 Cash and Cash Equivalents	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Borrowings - Incurred pre July 2019		1,575		1,800
Note 22 Cash and Cash Equivalents	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Borrowings - Incurred Post July 2019 to finance Work In Progress		-		-
Note 22 Cash and Cash Equivalents	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Line of Credit for Construction in process		-		-
Not applicable	Statement of Financial Position - Lease right-of-use asset liability	Not applicable	-		-	
Not applicable	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Not applicable		-		-
Not applicable	Statement of Financial Position - Lease right-of-use asset liability post-implementation	Not applicable		-		-
Statement of Change in Reserves	Statement of Financial Position - Annuities	Annuities with donor restrictions		-		-
Statement of Change in Reserves	Statement of Financial Position - Term endowments	Term endowments with donor restrictions		-		-
Statement of Change in Reserves	Statement of Financial Position - Life Income Funds	Life income funds with donor restrictions		-		-
Statement of Change in Reserves	Statement of Financial Position - Perpetual Funds	Income and Expenditure Restricted Reserve		183		191

Notes to the Financial Statements (continued): Year ended 31 July 2023

29 US Supplementary schedule (continued)

	Total Expenses and Losses		£'000	£'000
Statement of Comprehensive Income	Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total Expenses	57,288	53,874
Statement of Comprehensive Income	Statement of Activities - Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) - (Total from Statement of Activities prior to adjustments)	Actuarial gain in respect of pension Schemes and Net Investment (loss)	- 571	- 14,880
Note 5	Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Investment (Income) / Expense	- 571	17
Statement of Comprehensive Income	Statement of Activities - Pension related changes other than periodic pension	Pension-related changes other than net periodic costs	-	-
	Modified Net Assets			
Statement of Change in Reserves	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions	110,005	109,638
Statement of Change in Reserves	Statement of Financial Position - total Net assets with donor restrictions	Net assets with donor restrictions	183	191
Note 8	Statement of Financial Position - Goodwill	Intangible assets	3,619	3,456
Note 16 Trade and other receivables	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured Amounts due from Subsidiary Company	-	-
Note 16 Trade and other receivables	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured Amounts due from Subsidiary Company	-	-
	Modified Assets			
Balance Sheet	Statement of Financial Position - Total Assets	Total Assets	129,050	131,686
Not applicable	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Not applicable	-	-
Not applicable	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Not applicable	-	-
Note 14 Intangible Assets	Statement of Financial Position - Goodwill	Intangible assets	3,619	3,456
Note 16 Trade and other receivables	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and unsecured amounts due from Subsidiary Company	-	-
Note 16 Trade and other receivables	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured Amounts due from Subsidiary Company	-	-
	Net Income Ratio			
Statement of Comprehensive Income	Statement of Activities - Change in Net Assets Without Donor Restrictions	Movement on unrestricted reserves	367	15,241
Statement of Comprehensive Income	Statement of Activities - (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Income less Investment Income add Gains on disposal of Assets	57,076	54,323

Appendix 1

Trade Union Facility Time Report: For the year ending 31 March 2023

Table 1

Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
	1.3

Table 2

Percentage of time spent on facility time

Percentage of time	Number of Employees
0%	0
1-50%	2
51-99%	0
100%	0

Table 3

Percentage of pay bill spent on facility time

Publication requirement	Figures
Total cost of facility time	£17,516
Total pay bill	£36,154,785
Percentage of the total pay bill spent on facility time, calculated as: (total costs of facility time ÷ total pay bill) x 100	0.05%

Table 4

Paid trade union activities

Publication requirement	Figure
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	70%

Appendix 2

Greenhouse gas emission & energy consumption: For the year ending 31 July 2023

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

The data presented in the table below show our Green House Gas (GHG) emissions for the period from 1 August 2022 to 31 July 2023. We have adopted the widely accepted approach defined in the GHG Protocol Corporate Standard, with the equivalent terms from ISO 14064-1 shown in brackets.

Scope 1 (Direct emissions)

This includes emissions from activities owned or controlled by the University that release emissions into the atmosphere. We are reporting on the emissions of fuel used for 8 estate vehicles and 4 rotary mowers, and gas used for heating etc on premises. All diesel and petrol vehicles were replaced with electric equivalents during the year.

Methodology: The litres of fuel was calculated as the overall value of fuel purchased divided by the average price/litre of diesel or petrol. The average price was calculated from weekly fuel price statistics published by the Government. The conversion factor was based on 'Conversion factors 2023 published by Department for Environment, Food & Rural Affairs (DEFRA).

Scope 2 (Energy indirect)

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

Methodology: Electricity usage is based on mileage used for our electric vehicles, whilst other electricity usage relates to those on Campus, the Exchange and other sites. The kWh used by electric vehicles was calculated from the overall mileage, converted into kWh based on 'Conversion factors 2023' published by DEFRA.

Scope 3 (Other indirect)

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

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

Methodology: We have applied the latest DEFRA 2023 conversion factors for water usage, waste usage, and students and staff travel data collected using surveys where possible; this included mode of transport, distance travelled and types of travel expenditure.

For data collected from financial analysis, including staff non-commute and procurement, the latest available conversion factors by product categories was published by DEFRA in 2017.

Appendix 2 (continued)

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

Scope 1	Source unit	Amount	Conversion factor	GHG emission (KgCOe)
Estate Vehicles				
<i>Petrol</i>	litres	730	2.10	1,531
<i>Diesel</i>	litres	1323	2.51	3,325
<i>Gas oil (red diesel)</i>	litres	2,800	2.66	7,446
Gas (natural gas)	kWh	7,226,324	0.18	1,319,093
Total Scope 1				1,331,395

Scope 2	Source unit	Amount	Conversion factor	GHG emission (KgCOe)
Electricity	kWh	3,336,554	0.21	690,915
Battery Electric Vehicle	Miles	4,800	0.06	271
Total Scope 2				691,186

Scope 3	Source unit	Amount	Conversion factor	GHG emission (KgCOe)
Travel				
Staff commute				
<i>Bus</i>	km	264,584	0.08	20,723
<i>Train</i>	km	375,340	0.04	13,311
<i>Car</i>	km	1,164,478	0.17	197,759
Staff - non commute	£	69,713	3.57	248,551
Student commute				
<i>Bus</i>	km	1,077,514	0.08	84,394
<i>Train</i>	km	1,452,302	0.04	51,503
<i>Car</i>	km	1,873,937	0.17	318,244
Student travel to sports	km	18,377	0.08	1,439
Fixtures	km	20,244	0.03	550
Student travel to teaching practice	£	10,447	4.35	45,421
Procurement				
<i>Food</i>	£	868,393	0.40	347,357
<i>Drink</i>	£	384,399	0.40	153,760
<i>Housekeeping</i>	£	107,727	0.03	3,324
<i>Short term maintenance</i>	£	477,689	0.73	349,095
Water				
Water supply	m3	36,673	0.18	6,480
Water treatment	m3	30,991	0.20	6,239
Waste	tonnes	740	21.28	15,747
Total Scope 3				1,863,897

Overall total GHG emission in tCOe: **3,886** (2022: 3,444)

Appendix 2 (continued)

Intensity ratios

Our GHG emission intensity ratio:

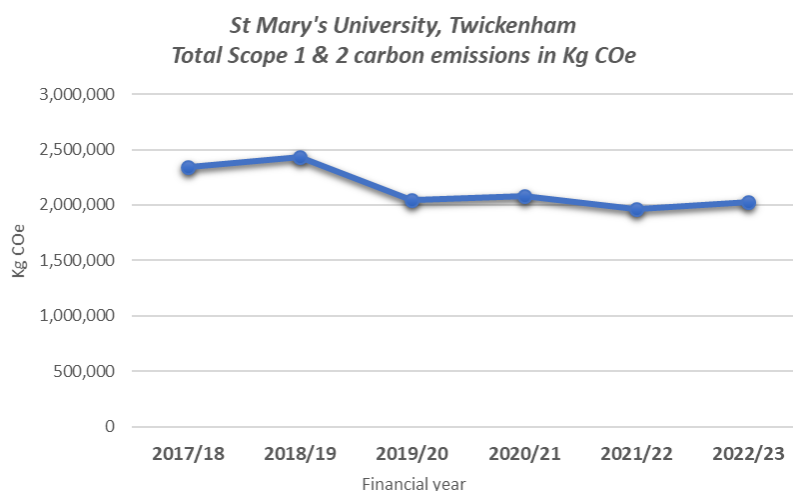
- per Staff FTE is 6.17 (tonnes CO₂e / staff FTE) based on a total of 630 FTE.
- per Student FTE is 0.83 (tonnes CO₂e / student FTE) based on a total of 4,666 FTE.

Energy Efficiency Action

The University is committed to reducing carbon emissions over time. All our capital projects include measures to improve energy efficiency and reduce carbon emissions. During the year we have replaced a major high efficiency condensing boiler plants, and introduced additional control systems to improve the distribution of the correct heat levels throughout our more historic estate. Refurbishment of student accommodation has seen the introduction of air source heat pumps to generate hot water, and as part of a capital grant from the OfS we have completely replaced hot water heating systems in new computer suites with air source heating and cooling partially powered by a new solar array. LED lighting has also been introduced to these suites. Our LED lighting replacement programme continues across the campus with nearly all external lighting being upgraded to LED, and the whole of the Education building being converted throughout along with two of our sports halls.

We have also been working actively towards the practical objectives set out in our Carbon Management plan generated through a campus wide energy audit under Energy Savings Opportunity Scheme (ESOS). A further Audit will be undertaken in the next academic year.

2022/23 saw a resumption of full teaching activities. Despite the increase in activity, the cumulative impact of our ongoing improvements meant we were able to maintain our overall scope 1 & 2 carbon emissions despite this increased occupancy as can be seen in the graph below.



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

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