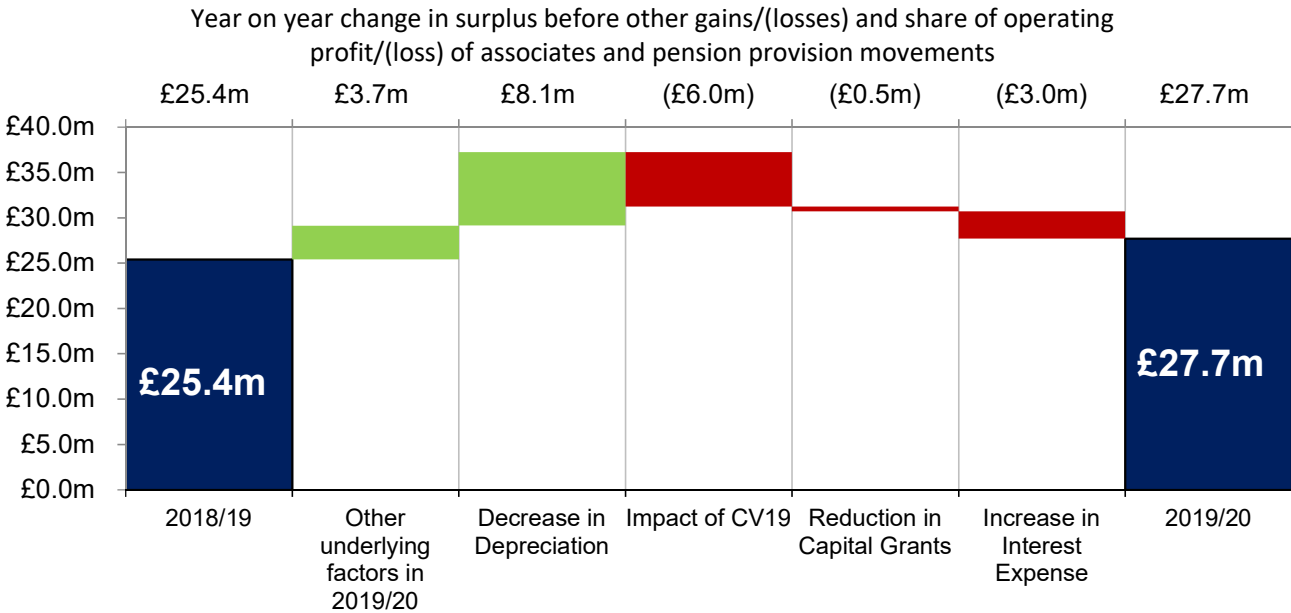


Queen Mary University of London 2019/20 Financial Information

The underlying financial performance of the University continued to improve in 2019/20, reflecting the implementation of targeted growth, and careful cost control. The financial impact of Covid-19 on our 2019/20 results was less than the operational impact on the University and its students. Our operational surplus shown in the chart below was £27.7m compared to £25.4m in 2018/19.

The main financial impacts of the pandemic were driven by changes in our residential and commercial activities, and a redirection of expenditure on capital projects. Following the UK Covid-19 lockdown in March 2020, students were released from their residential contracts for the 2019/20 academic year and commercial and catering activities were limited. There was additional health and safety and estates expenditure to ensure a safe and secure environment for students and staff who had to remain on campus throughout the lockdown and for staff returning to our research facilities as these were reopened. Capital project expenditure was redirected from building projects to IT as we delivered enhanced capacity and resilience to our IT networks and systems, enabling remote working and a rapid transition to online learning.

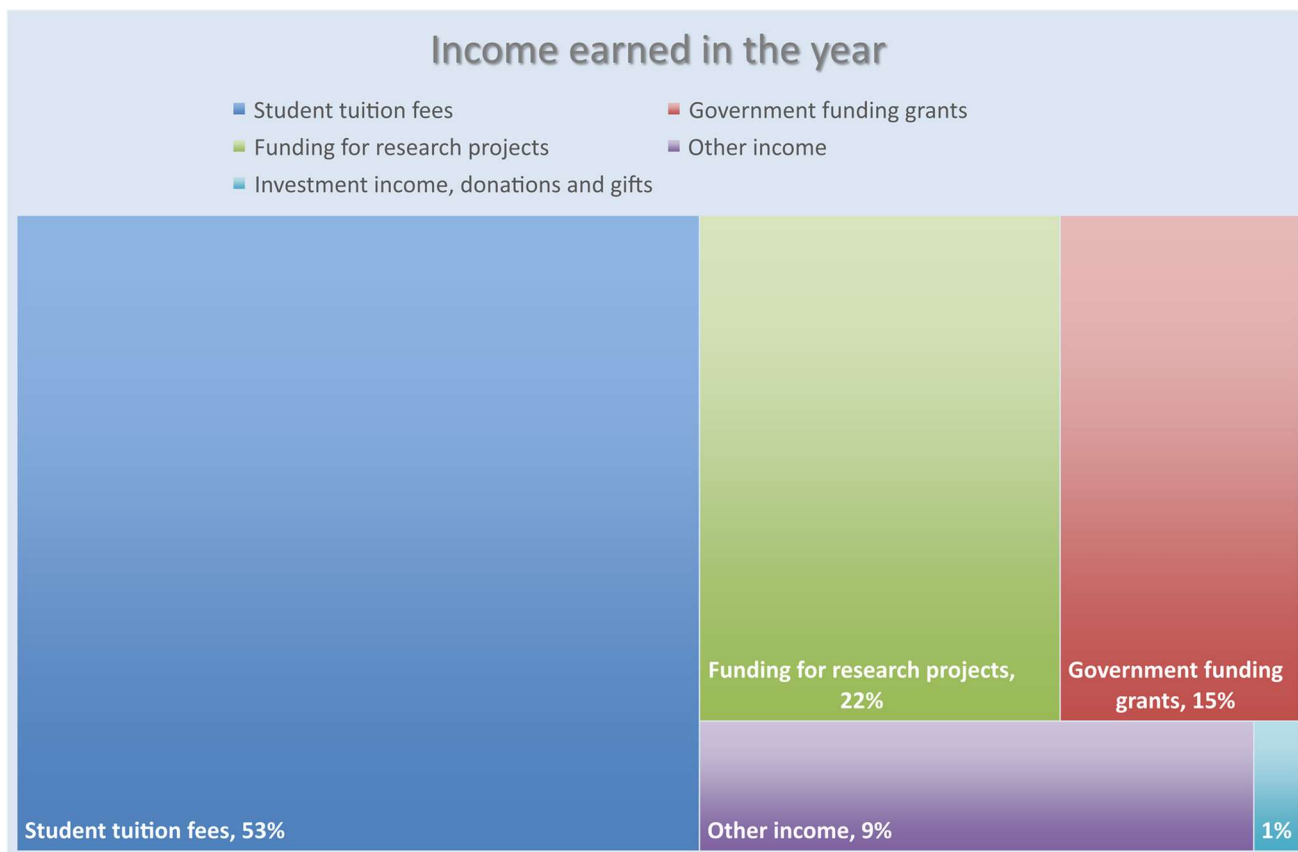


Income:

Total income in the year grew by £28.6m to £512.4m (2018/19: £483.8m).

The increase in tuition fees of 9% from the previous year reflects growth in student numbers and increases in non-regulated fees, with fee income from international students increasing by £16.0m (14%). Total student numbers increased by 4% to 27,077, with increased growth in postgraduate student and overseas student numbers.

Central funding grants increased to £76.0m. The operational element of these grants grew by £4.5m to £69.6m, whilst the infrastructure element remained flat at £6.4m.



Operational research grant and contract income increased by 7% to £112.4m but infrastructure grants were £0.5m less than the previous year. The pandemic caused the closure of research labs from mid-March to early June and a number of staff in the School of Medicine and Dentistry were also recalled to clinical duty or to support clinical activities. Contractual changes with funders were agreed for many research grants enabling extensions to ensure the vast majority of grants can be successfully completed. The volume of grants applied for since March has been lower than in previous years and work is being carried out to increase the research income pipeline.

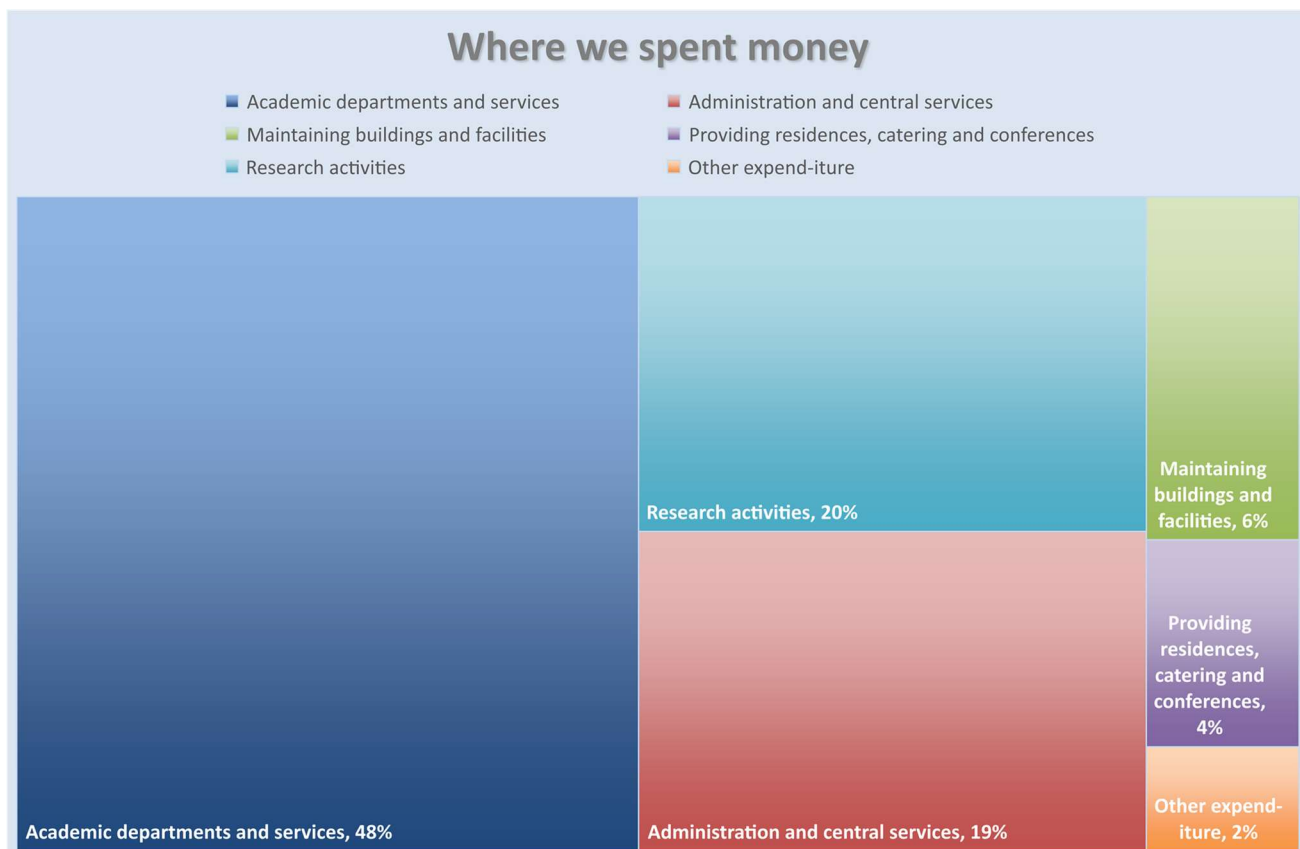
There was a reduction in residences, catering and commercial lettings income of £5.2m as a result of Covid-19 and a similar reduction is expected in 2020/21.

Operating Expenditure:

Excluding valuation changes in the University's pension schemes, 'normal' operating expenditure increased by 6% to £484.8m.

Staff costs increased by 9%, because of inflation and incremental pay increases; the introduction of increased employers' pension contributions; and increases in staff numbers.

Other operating costs increased by 6% to £156.3m including increased expenditure on IT equipment and maintenance to enable digital working and increased spend on premises costs including cleaning. This was offset by decreases in travel costs, catering costs and laboratory consumables due to the reduction in normal activity caused by the Covid-19 pandemic.



The costs for maintaining buildings and facilities were lower than last year. The main reason for this was that the depreciation of buildings, plant, machinery and equipment (to reflect their reduction in value over time as a result of use and wear and tear) was £8m less than last year. Two factors contributed to this: COVID-19 caused delays to the completion of projects this year; and the previous year 2018/19 had a higher than normal write down of £2m for buildings that were due to be demolished.

Interest and finance costs increased by £2.9m reflecting the first full year of interest charged on the £160m of loan notes which were issued in January 2019.

If you are interested in Queen Mary's financial performance, the full financial statements for the year to 31 July 2020 are available: <http://www.finance.qmul.ac.uk/statements/index.html>