



UNIVERSITY OF THE
WEST of SCOTLAND

UWS

UWS Financial Statements

for the year ended 31st July 2022



A Year of Achievement

See more of our highlights over 2021-22 on page 9

Recognised in the **top 600** universities worldwide

(Times Higher Education World University Rankings 2022)



Recognised in the **top 150** universities under 50 years of age

(Times Higher Education Young University Rankings 2022)



Ranked in the **top 200**

in the world for impact on the UN Sustainable Development Goals

(Times Higher Education Impact Rankings 2022)

We are:

#1 in Scotland

& #36 in the world for decent work and economic growth

UN Sustainable Development Goal 8 (Times Higher Education Impact Rankings 2022)

#2 in Scotland

& #23 most impactful university in the world for reducing inequalities

UN Sustainable Development Goal 10 (Times Higher Education Impact Rankings 2022)



The Herald
HIGHER
EDUCATION
AWARDS 2022
WINNER

**HIGHER
EDUCATIONAL
INSTITUTION
OF THE YEAR**

UWS Named Herald Higher Educational Institution of the Year 2022

Recognising UWS' work in widening access, student learning, research, business engagement, technology, marketing and a series of individual staff and students.

**52% increase
in tuition fees
income**
and education
contracts, and a 3%
increase in funding
body grants

**Total income
grew by
£27.4m (21%)
to £155.9m**

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UNIVERSITY STUDENTS' ASSOCIATION OF THE YEAR

UWS' Students' Union won the University Students' Association of the Year at the NUS Scotland Awards 2022, with Students' Union President Ellie Gomersall also elected the new NUS Scotland President.



STUDENTS' ASSOCIATION OF THE YEAR 2022

90%

of research classed as world-leading, internationally excellent or recognised internationally

REF2021
Research Excellence Framework

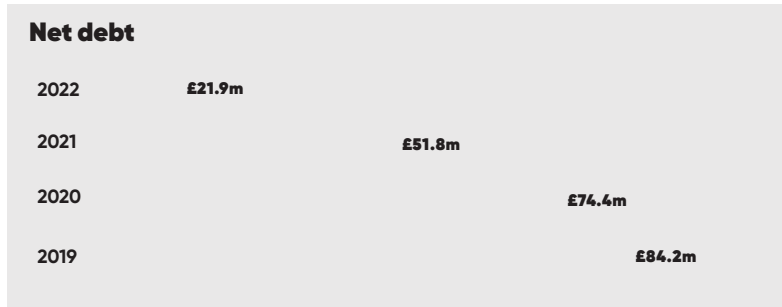
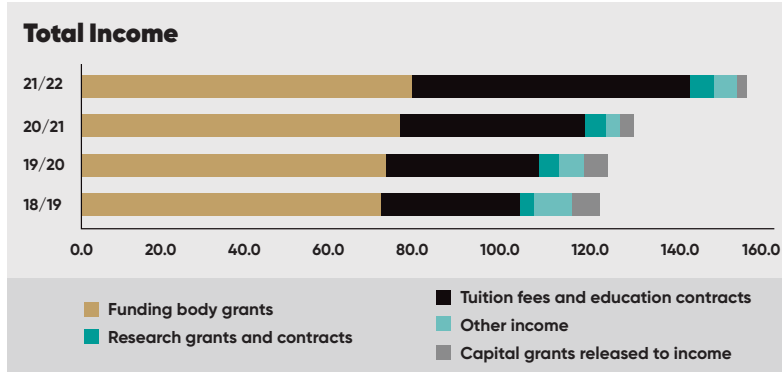


UWS Senior Lecturer Khadija Mohammed received a commendation

at the 2021 Diversity Hero of the Year at The Herald & GenAnalytics Diversity Awards.



Significant improvements in performance include:



23,970 students

133 nationalities across our five campuses

5,000+ international students studying in the UK & around the world with UWS

1,435 staff (headcount)

Knowledge Transfer Partnership (KTP) Success

#1 IN SCOTLAND BY PORTFOLIO SIZE*

ONLY SCOTTISH UNIVERSITY TO HAVE A **DEDICATED KTP CENTRE** | **I ♥ KTP @UWS**

KNOWLEDGE EXCHANGE AWARD-WINNER (CeeD Industry Awards 2022)

95% OF COMPLETED UWS PROJECTS ACHIEVE OR OVER-ACHIEVE THEIR OBJECTIVES
#1 IN UK FOR MANAGEMENT KTPs*

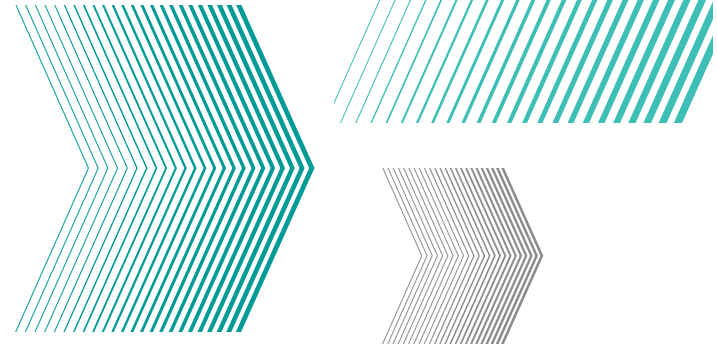
£7.5m UWS KTP PORTFOLIO VALUE

★ ★ ★ ★ ★
20% OF COMPLETED UWS KTPS ARE GRADED AS OUTSTANDING BY INNOVATE UK (DOUBLE THE UK AVERAGE)

* DATA AS OF JUNE 2022



UNIVERSITY OF THE
WEST of SCOTLAND
UWS



Introduction from the Principal and Vice-Chancellor



PROFESSOR JAMES MILLER
PRINCIPAL AND VICE-CHANCELLOR

*Welcome to the 2021-22
Financial Statements and
thank you for taking an
interest in the University of
the West of Scotland (UWS).*

As we reach the mid-point of our five year Strategy 2025, we reflect on the opportunities and challenges presented by the two years since 2020.

It is nothing short of remarkable to reflect, in that context, on the incredible achievements of staff and students through that time. In 2020, we set ourselves stretching targets and high ambitions; and we are meeting and surpassing those.

As we enter 2022-23, we are setting out clearly how UWS will look and act as we finally reach a post-pandemic environment. We have learned lessons and embraced flexibility – most notably in our learning and teaching, in-line with our Strategy 2025 ambitions – and delivered strong financial performance through this period. As we emerge from the pandemic we will firmly establish the UWS hybrid, flexible balance that works for staff, students and the University overall. We will maintain our intrinsic commitment to excellent learning and teaching, distinctive research and innovation, and to shaping the communities and society around us, and continue to develop and grow the organisation.



We can take pride and comfort in some of the amazing achievements we have had over the past year:

- Named the Herald Higher Educational Institution of the Year 2022 in addition to being recognised in three Herald awards for activities across the University
- Recorded in the top 200 in the world for our impact on sustainable development goals, including being the most impactful university in Scotland for economic growth
- Establishing innovative partnerships with schools and colleges, with over 1,000 young people in North Lanarkshire having their eyes opened to the opportunities of university education
- Securing £21m critical investment in decarbonising and delivering sustainable growth in the dairy industry across South West Scotland
- Our Students' Union was recognised as the Students' Association of the Year at the NUS Scotland Awards, recognising their impact in shaping education and empowering individuals
- 90% of research at University of the West of Scotland has been classed as world-leading, internationally excellent, or recognised internationally in the REF2021 assessment
- Delivered interventions to secure student success through an innovative combination of learner analytics and coordinated academic and pastoral support, demonstrating impact and improvements in student retention

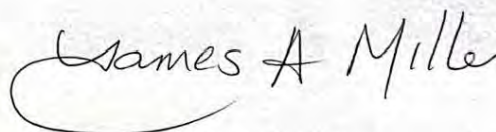
All of this has been set against a background of growing student numbers – both successfully delivering the increased SFC-funded population and exceptional growth in international student recruitment.

The hard work and success for the University through 2021-22 has put UWS in a very strong financial position. We end the year having delivered a strong surplus for the third year in a row which enables the capacity for future investment.

We recognise the pressures that growing the student population places on staffing and consequently have invested in additional staff during the academic year 2021-22. We are also conscious of the challenges that have been posed by pressures in the workforce market and so this will continue to be a focus for 2022-23.

We also recognise the pressure that can be felt from trying to achieve all of our goals and to continuing all of our successful programmes and offerings. In order to maintain our positive momentum and enhancement, but to manage the burden of expectations on staff and students, we have agreed a programme of focus areas for 2022-23, and a careful scheduling of priority areas for 2023 onwards. The Focus Projects set out the commitment to investment of up to £10m to ensure we have the right staffing capacity, the required capabilities, and the appropriate investment to succeed. This is a serious undertaking by the university and reflect the importance we place on the three project areas: student experience, digital transformation and organisational effectiveness.

2021-22 has been an extremely successful year for UWS and provides an excellent platform for us to deliver on our Strategy 2025 ambitions.



PROFESSOR JAMES A MILLER
PRINCIPAL AND VICE-CHANCELLOR

Strategic Report



The UWS Strategy 2025 seeks to dream, believe and achieve.



UWS Purpose

UWS works in partnership with its students to deliver world-ready graduates who will design, shape and build a new future. We are pioneers in developing effective interactions with global business, industry and the public and voluntary sectors.

With cutting-edge courses, modern pedagogy and practical knowledge we enable our students and staff to experience the sheer joy of learning, teaching, research and innovation, and apply their knowledge for the benefit of others.

UWS research and innovations will address major global challenges. Through our multi-disciplinary teams, we will deliver at a scale and intensity that will ensure sustainable impact.

We treat our students as individuals, partners and future leaders in their professions, providing them with the globally relevant knowledge, skills and confidence to think critically and challenge received wisdom.

UWS is here for good. We invest in people's potential to shape a better future for themselves, their industries and the communities they live in.

UWS Themes

- Excellent learning & teaching
- Distinctive research & innovation
- Shaping our communities & society

UWS Performance Framework Measures

PASSIONATE ABOUT EDUCATION

GLOBAL

GROWING INVESTMENT

TACKLING WORLD ISSUES

WE VALUE OUR PEOPLE

SHAPING SOCIETIES

INNOVATIVE



We are here for our students

Highlights of 2021-22

- Officially recognised by Times Higher Education as being in the top 600 universities worldwide and in the top 150 universities under 50 years of age (Times Higher Education World University Ranking 2022)
- Ranked in the top 200 in the world for impact on the UN Sustainable Development Goals (Times Higher Education Impact Rankings 2022)
- The most impactful university in Scotland for 'decent work and economic growth' (UN Sustainable Development Goal 8), and 23rd most impactful university in the world for 'reducing inequalities' (UN Sustainable Development Goal 10) (Times Higher Education Impact Rankings 2022)
- Named Herald Higher Educational Institution of the Year 2022 recognising UWS' work in widening access, student learning, research, business engagement, technology, marketing and a series of individual staff and students
- The KTP Centre was successful at the CeeD Awards, recognising organisations demonstrating success through innovation and commercialisation partnership between industry and academia.
- Dr Marco Gilardi, a lecturer at the School of Computing, Engineering and Physical Sciences, won the 'Knowledge Exchange Hero' prize at the Scottish Knowledge Exchange Awards.
- Submission of 272.4 FTE staff in REF2021, with 90% of research classed as world-leading, internationally excellent or recognised internationally (REF2021)
- UWS' Students' Union won the University Students' Association of the Year at the NUS Scotland Awards 2022, with Students' Union President Ellie Gomersall also elected the new NUS Scotland President.
- School of ESS Lecturer Khadija Mohammed received a commendation at the 2021 Diversity Hero of the Year at The Herald & GenAnalytics Diversity Awards.
- School of HLS has been recognised as the highest-ranked Sports Science research institute in Scotland in the Shanghai Ranking, global league table of world university rankings. The University's Institute of Clinical Exercise and Health Science placed as the highest-ranked Scottish institution, equal 4th in the UK and in the top 75 in the world.
- UWS is leading the Carbon Champions project to deliver support and training from academics in the School of CEPS to enable organisations across South Ayrshire to meet the national net zero goals, and position South Ayrshire as a national leader in green working practices.
- The School of Business and Creative Industries has been awarded a highly-sought after accreditation - the Small Business Charter - recognising the UK's world class business schools. The school is now one of just 55 in the UK to hold the accreditation, which is awarded to institutions that demonstrate excellence in supporting small businesses, student enterprise and the local economy.

SCOPE & SCALE

5 campuses: 4 campuses in the heart of west central Scotland in Ayr, Dumfries, Lanarkshire & Paisley and 1 campus in central London

23,970 students (headcount)

8,050 in Paisley
5,200 in Lanarkshire
2,600 in Ayr
3,450 in London
370 in Dumfries

- Over 4,300 studying remotely or with international partners
- 133 nationalities represented across our five campuses
- More than 9,000 international students studying in the UK and around the world with UWS

1,435 staff (headcount)

Performance

UWS adopted Strategy 2025 in summer 2020 and set out a five-year performance framework to track the success and areas requiring progress.

PASSIONATE ABOUT EDUCATION

	Trend	Target
NSS - overall satisfaction	Red	Red
Module evaluation	Red	Yellow
Student entry qualifications (tariff points)	Green	Yellow
Retention	Green	Green
Graduate Skills (GO)	Yellow	Yellow

INNOVATIVE

	Trend	Target
Research award value*	Red	Red
CPD	Green	Green
Knowledge Transfer Partnerships	Yellow	Red

TACKLING WORLD ISSUES

	Trend	Target
Carbon Footprint	Green	Green
THE Impact Rankings	Yellow	Green

WE VALUE OUR PEOPLE

	Trend	Target
SSR	Red	Red

GROWING INVESTMENT

	Trend	Target
Surplus	Green	Green
Unregulated income (%)	Green	Green
Staff costs	Green	Green

SHAPING SOCIETIES

	Trend	Target
THE Impact Ranking SDG10 - Reducing Inequalities	Green	Green
SIMD20	Green	Green
Graduates in Work or Further Study	Yellow	Yellow
Key worker (graduates) cohort	Green	Green
PGT cohort - UK domicile*	Yellow	Yellow
PGR cohort - UK domicile*	Green	Green

GLOBAL

	Trend	Target
International students*	Green	Green
Citation score in THE World University Rankings	Yellow	Yellow
International academic staff	Green	Green

*a number of definitions were updated in 2021

Performance is monitored by RAG status using the following definitions:

	Red	Yellow	Green
Trend	Where performance has decreased by > 10%	Where performance has decreased by < 10%	Where performance has increased
Target	Where performance has not met the target	Where performance is within 10% of target	Where performance has met the target



At UWS, performance is for a purpose. Measuring and managing performance is targeted at ensuring we meet the institutional purpose and live up to the UWS values. The UWS Performance Framework sets out clear, ambitious targets to reach for the achievement of the Strategy 2025 aims. The framework is articulated to closely and continually monitor performance. Such an approach allows for timely interventions to drive improvement in performance and UWS will seek to celebrate success where step-changes in performance have been delivered.

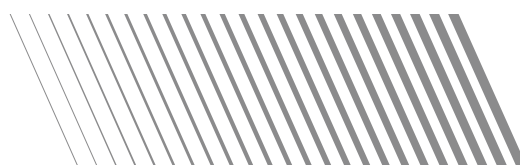
Areas of success

The key success indicators to 2022 are:

- **Student retention:** there has been considerable improvement in student retention, increasing from 83.1% prior to Strategy 2025 to meeting the 88% milestone for 2021-22. This reflects impressive performance considering the risk to retention posed by the covid-19 pandemic. Effective – award-nominated – collaboration across the institution to build student engagement analytics and a team to proactively offer academic and pastoral support has been a key driver of this success.
- **Student entry qualifications:** There is a strong correlation between students entering university with high calibre qualifications and their likelihood to succeed at university. At UWS, the focus is on ensuring students with appropriate capability enter and are supported to succeed. As part of this Strategy 2025 balanced the commitment to increasing the ‘tariff’ on entry as well as maintaining an access threshold (lower

qualification requirement) for students from diverse backgrounds (e.g. SIMD20, care experienced). The improving student tariff, increasing SIMD20 percentage, and increasing retention demonstrate that this approach is successfully delivering for all students.

- **Sustainability:** For the second year running, UWS has been ranked in the top 200 in the world for its impact on the UN Sustainable Development Goals (THE Impact Rankings 2022) and has ranked in the top 25 in the world for our work on reducing inequalities, and in the top 40 in the world (and first in Scotland) for our work on decent work and economic growth.
- **Financial growth and investment:** For the third year in a row, the University has delivered a successful surplus, exceeding the Strategy 2025 milestones. For 2021-22, the year-end surplus was £10.3m, enabling investments outlined in support of our strategic aims.
- **Global and unregulated recruitment:** There has been considerable success in developing the diversity of the UWS community, both at London and Scottish campuses. In 2021-22, the UWS international population grew to over 5,500 students at UWS’ UK campuses. This builds on success in 2020-21 and demonstrates the global demand for UWS-delivered high-quality education.
- **Widening access:** UWS continues to be Scotland’s most successful widening access university and, despite increased pressure and competition in the domestic recruitment market, the SIMD20 population at UWS has grown consistently over the last two years – now reaching 30% of the UWS Scottish-domiciled undergraduate population. At most recent sector-wide publication, UWS accounted for 25% of all SIMD20 students enrolled at Scottish universities.



Areas for progress

While there have been many areas of success and growth, there remain a number of priorities for improvement:

- **Student satisfaction:** The annual National Student Survey was heavily impacted by its point of completion (January to April 2021) when the UK was in the depths of a Covid-19 lockdown. Student satisfaction at UWS dropped by 11 percentage points, which compared to an average drop across the sector of 7 percentage points. This took UWS from comfortably above sector average to 1.8% below. The focus project on the student experience is committed to tackling and improving student satisfaction.
- **Research awards:** While there have been notable success in research awards – including securing a collaborative Strength in Places project worth £21m – trends recognised across the UK in lower success rates for UK universities in European research bids has affected UWS. UWS has submitted a series of bids, in partnership with other universities, to the Horizon Europe fund with a potential income to UWS exceeding £5m. Following REF2021, UWS will review its research groups, appoint leadership for new Units of Assessment and commence a strategic, managed approach to research enhancement to meet performance ambitions on research awards and prepare for REF 2027.
- **Knowledge exchange with industry:** UWS continues to be a leading player in knowledge exchange and innovation, with one of the largest knowledge transfer partnership (KTP) portfolios of any institution in the UK and has secured a number of high-profile awards recognising the value and impact of this work. However, the global economic impact of the covid-19 pandemic has restricted the ability and willingness for business to invest in innovation and that has limited UWS' ability to meet trend and target ambitions for KTP growth.
- **Staffing levels:** As outlined in Achieving It 2021-22, the University made a commitment to growing the academic staffing levels (with a budget commitment to an additional 77 academic staff). Despite significant activity – with over 130 new staffing posts approved through the budget and in-year, the growth in student numbers has outstripped the capacity to grow the academic staffing complement timeously and the staff: student ratio has increased year-on-year. There continues to be a strong commitment to investing in growing academic talent.



Achieving It 2022-23

To continue to deliver towards the Strategy 2025 targets, UWS will focus on a suite of strategic projects and aligned investments. For 2022-23, the University has agreed to deliver a trio of 'focus' projects, setting the foundations for future success.

The projects are each led by an executive sponsor, supported by a programme board, and enabled by a project team. Each project has a defined budget and dedicated resource to enable a focus on delivery.

The three focus projects launched in August 2022 and will run throughout the academic year:

- **Student Experience - Vice Principal Learning, Teaching and Students**

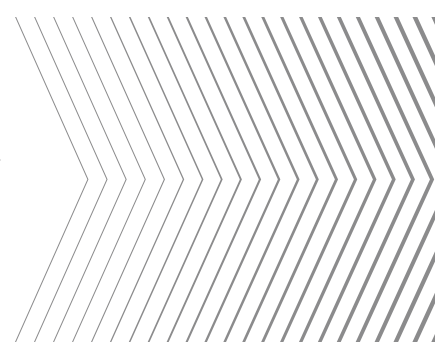
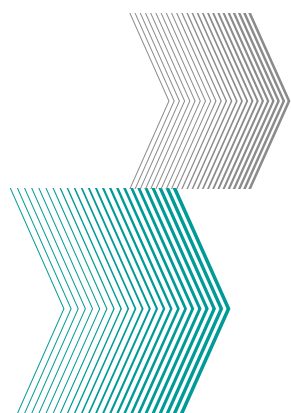
The Student Experience Programme was launched in 2021 to drive structured enhancement to the student experience at UWS, enabling coordinated, considered activity to deliver quantifiable change to the processes of student engagement and support and to ensure student success. In 2022, the Student Experience Programme is focusing on deliverables in key priority areas: student advising, student personal and professional development, and development of the postgraduate taught portfolio.

- **Organisational effectiveness - Deputy Principal and Vice-Chancellor**

This focus project is seeking to ensure that we have the right person, in the right job, doing the right thing. The project is delivering progress through the establishment of revised leadership roles and clear responsibilities, particularly within the academic schools, by seeking to close known gaps and ease cross-school, service and institutional collaboration. With a focus on supporting effectiveness, transparency and fair recognition, the project team are revising academic promotions process, informed by revised contract pathways for academic staff, and overseeing the implementation of the new workload model for activity planning.

- **Digital Transformation - Executive Director of Finance and Infrastructure**

Underpinning the organisational ability to deliver an excellent student and staff experience is an effective and optimised digital infrastructure. This focus project team is delivering against three priority areas: student-facing systems and infrastructure (ensuring an optimal digital experience online and on-campus), staff equipment and capability (ensuring staff from all across the University are fully equipped to perform in flexible, hybrid roles), and enhancing core systems (ensuring that by the end of 2022-23, there is a clear plan for rolling-out enhancements to and between core systems and processes across the institution).





External environment and risk management

The University faces a number of strategic risks, which could affect its academic, professional and commercial ambitions. The identification and mitigation of risk is a responsibility of all across the University, with effective considerations of risk appetite necessary at each level.

Risk is an accepted element in the conduct of all of the University's activities and is driven by both internal and external factors. Formal consideration of risk appetite and the strategic register of risk by the Vice-Chancellor's Executive Group, the Audit and Risk Committee and the Court are important elements of ensuring the risks taken are commensurate with the University's ambition with mitigating actions identified and taken when required.

In 2021-22, institutional risk was heavily influenced by external events. The section below identifies some of the actions that will be taken during 2022-23 to help mitigate these risks.

Government support and funding

UWS has successfully grown non-governmental income and reduced reliance on Scottish Funding Council funding, reducing this from a pre-Strategy 2025 high of 84% to a current level of 50%. This reflects the significant growth in unregulated student tuition fees (predominantly international recruitment) and stagnant government funding levels.

Despite the success in delivering against this key performance indicator, as a Scottish university, UWS is significantly affected by regulatory and funding changes led by the SFC.

In 2021, the Scottish government asked the SFC to conduct a review of the coherence and sustainability of Scottish higher education. The resulting report recognised the value and impact of the Scottish higher education sector for both individuals and society. It outlined the SFC's proposal for revisions to the regulatory and funding models for the Scottish university and college sectors. The report was consulted on with the sector and colleagues from across UWS were engaged in a variety of ways.

Since the report was published, and in light of the Scottish government spending review, UWS has continued to constructively engage with the Scottish Funding Council and government on a number of key policy goals including partnerships between universities and colleges, the impact of research and innovating funding models on post-92 universities and their communities, the development of a skilled workforce, and the importance of multi-year funding settlements.

The prevailing SFC and Scottish government policy imperatives continued to align with the strategic mission and vision of UWS, and continued efforts will be dedicated to influencing the funding decisions to ensure appropriate resources are provided to meet the shared objectives.

Cyber security

Cyber security has been an increasingly prevalent concern for universities, exacerbated by the rapid pivot to remote working through Covid-19 and the associated increased risks from staff and students using their own devices, less regular updates of patches and software on devices while off-campus, and a significant spike in ransomware attacks on institutions across the globe. The Times Higher Education reported a doubling of ransomware attacks on colleges and universities between 2020 and 2021.

UWS is actively managing the risks from cyber security and has taken action across a number of fronts. During 2021-22, UWS has rolled out multi-factor authentication following the successful trial with the University management team in 2020. The University has increased training available, as well as delivering cyber security information in innovative ways. Supported by the Vice-Chancellor's Innovation Fund in 2021, Information Services developed a 'Cyber Security Escape Room' which can be used for staff development. Into 2022-23, rigorous external penetration testing is planned to test for weaknesses to malware attacks.

These have been underpinned by regular assessment of risk through the risk register, discussion at executive and governance committees during 2022 and through internal audit reporting and monitoring on progress. The focus project on digital transformation will also ensure continued progress in risk mitigation.



Global changes emerging from the pandemic

Nations across the globe adopted different responses to managing the Covid-19 pandemic and there continues to be diversity in the approaches as the world emerges out of the pandemic; with a number of nations continuing travel restrictions or enacting local lockdowns.

The 2021-22 academic session was affected by national and international restrictions, with lockdowns, travel restrictions and quarantine requirements affecting the predictability of intakes in term 1 and term 2. Against this context, UWS secured considerable growth in international recruitment year-on-year, with success at both London and Scottish campuses. These trends will be at risk in 2022-23 as nations around the world again relax their travel restrictions and internationally-recruiting nations such as Australia recommence international student recruitment.

UWS are mitigating the risks from national and global changes in a number of ways. The University are continuing the effective partnership working with the Scottish government and sector agencies and representative bodies to engage with and inform Scottish and UK government policy development, outlining the risk or impact for UWS' staff and student wellbeing and success.

Globally, UWS has continued to strengthen partnerships with The Education Group, the delivery partner for the London campus, and student recruitment agents; ensuring there is a robust network of agents securing UWS presence in a diverse range of markets internationally. This helps limit the risk to UWS from changes in any one particular market and promotes diversity in the student cohort.

Equality and Diversity

One of the UWS seven core values is 'shaping society'. The Strategy 2025 confirms 'we remain committed to widening access, equality, diversity and inclusion.'

The University code on equality, diversity, inclusion and human rights outlines our commitment to and approach to promoting equal opportunities for both students and staff with protected characteristics, including disabled persons. The University aims to:

- create a culture free from discrimination, where equality is promoted, diversity is celebrated and human rights are respected.
- treat individuals with dignity, fairness and respect, regardless of background or personal characteristics.
- create an inclusive environment and seek to remove barriers to enable members of the University community to reach their full potential.
- mainstream equality considerations throughout both policy and practice at UWS, including within the Outcome Agreement process with the Scottish Funding Council.
- challenge unacceptable actions and behaviours such as harassment, bullying or victimisation of people based on their personal characteristics, eliminate all forms of unlawful discrimination and deal with any discrimination consistently and effectively.



UWS welcomes the opportunity to make a difference in how we deliver equality and diversity in Scotland and supporting those individuals with protected characteristics to ensure that they have the same opportunities as others to be free of any form of unlawful discrimination.

We have achieved recognition in our work with widening participation, developing family friendly policies and ensuring that we have a safe campus for staff and students. We strive to ensure that all protected characteristics are supported at the University. As we continue to develop as a 21st century University, we will embed further examples of good practice to ensure that we support our staff and students to be free of discrimination, harassment and victimisation. We continue to support a culture of diversity and inclusion as well as embedding equality and diversity in our institutional policy framework.



Disability

The University is committed to promoting opportunities for both students and staff with disabilities.

The University provides a range of services to assist and support students with identified disabilities to enable them to pursue their studies.

UWS is recognised as a Disability Confident Employer. Our policies cover the recruitment and selection processes, training, awareness and support for applicants and our employees.



Financial Performance Review of the Year



Key Financial Highlights

The results for the year ended 31 July 2022 are summarised below:

Student (headcount)	23,970	22,100	Up 8.5%
Staff average FTE	1,253	1,194	Up 4.9%



Review for the financial year

The financial Year 2021-22 has again been an encouraging one for the UWS as we emerge from the restrictions of the pandemic. Financial performance throughout the year has been very encouraging building on the strong foundations of last year's growth. This demonstrates the University's agility in a fast changing environment. Continued focus on the priorities contained in Strategy 2025 has delivered an increase of 52% in tuition fees and education contracts, and a 3% increase in funding body grants. There was also a 64% increase experienced in commercial and other non-core income. Overall income rose by 21% from 2020/21. Total expenditure increased by 14% due to a controlled overspend on external partner payments and commission along with increased staffing and utility costs.

The surplus for the year of £10.3m is after non-cash accounting adjustments in relation to FRS 102 pension charge of £6.8m. In addition to this there was a non-cash accounting actuarial gain of £83.1m (2021: £33.4m) recognised in the SOCI in respect of the Strathclyde Pension Fund.

Total income grew by £27.4m (21%) to £155.9m (2021: £128.5m). Total income comprises funding council grants, tuition fees and education contracts, research grants, other income, investment income and donations and endowments. Total income represents £124,428 per FTE staff member (2021: £107,587).

50%

£77m Funding body grants

27%

£42m Tuition fees non SAAS

15%

£24m Tuition fees SAAS

4%

£6m Research income

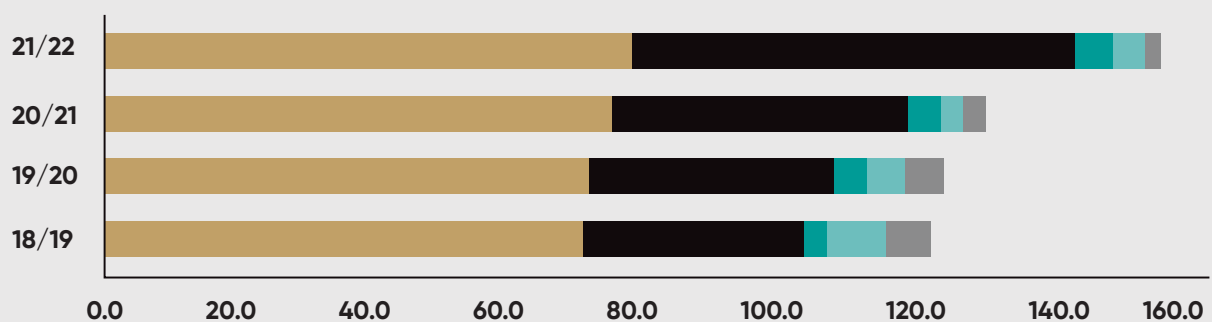
3%

£5m Other income

2%

£2m Capital grants released

Total Income

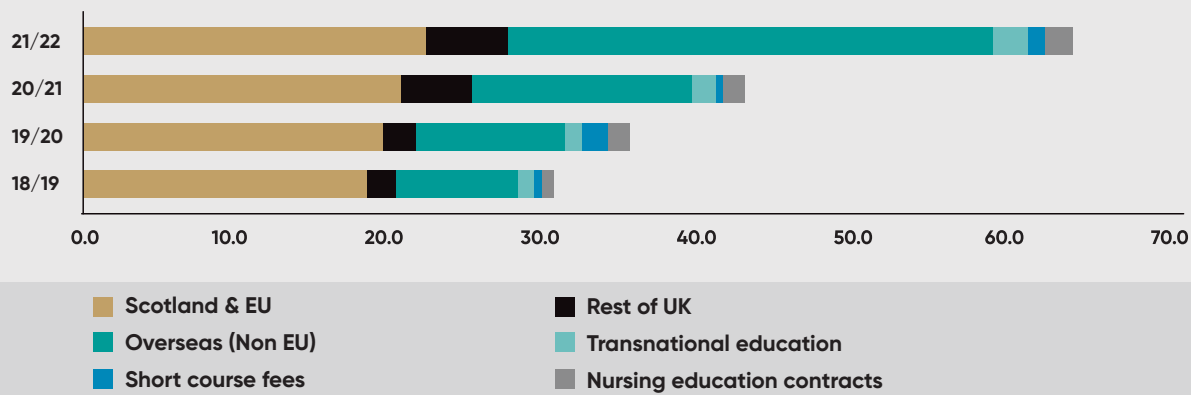


■ Funding body grants
■ Research grants and contracts

■ Tuition fees and education contracts
■ Other income
■ Capital grants released to income

The University's main source of income is from teaching activities. Scottish Funding Council (SFC) grants recognised in the financial statements reflect the allocations announced in the SFC funding outcome agreements for Universities. In 2021/22 funding council grants of £77.2m were received which represents 50% of the University's total income. The University also released capital grant income of £2.4m which was utilised for the purchase of capital items as well as to fund ongoing estates maintenance works.

Tuition fees & education contracts



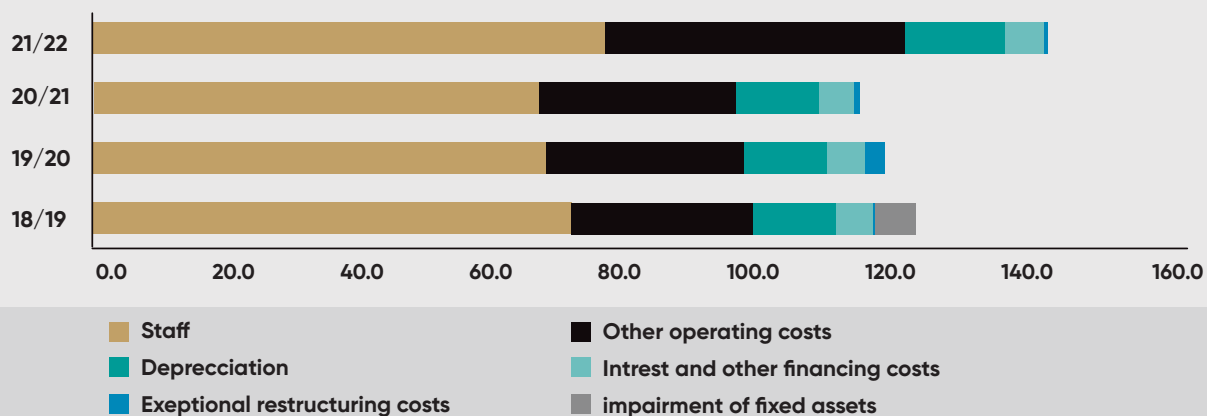
Total tuition fee and education contract income increased by 52% from £43.1m in 2021 to £65.6m for year to 31 July 2022. This reflects the growth delivered in overseas student markets and at the London Campus.

Scotland student fee income increased by £3.9m (20.9%) reflecting additional places granted by SFC year on year. Transnational Education (TNE) remained healthy, up 39% to £2.1m (2021: £1.5m), whilst our income from students from the rest of the UK (RUK) increased by 15% to £4.9m due to sustained recruitment at the London campus. EU tuition fees decreased by 21% to £2.7m (2021: £3.3m) as a result of Brexit.

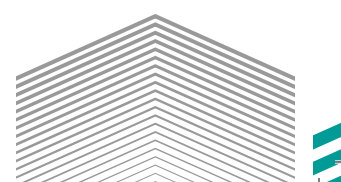
Income increased from non-EU tuition fees, up £16.7m from £13.4m in 2021 to £30.1m. Income received from Nursing Education Contracts increased 29% from £1.4m in 2021 to £1.8m.

The level of research grant and contract income increased in 2022, by 14.7% from £4.8m in 2021 to £5.5m. The continued strong performance of Knowledge Transfer Partnerships and the increase level of activity on other research projects has generated this uplift in income.

Total expenditure



Overall University expenditure has increased by £18.4m (2021: 14%) to £145.2m (2021: £126.8m). Expenditure comprises staff costs, interest and financing costs, other operating expenses and depreciation of fixed assets.

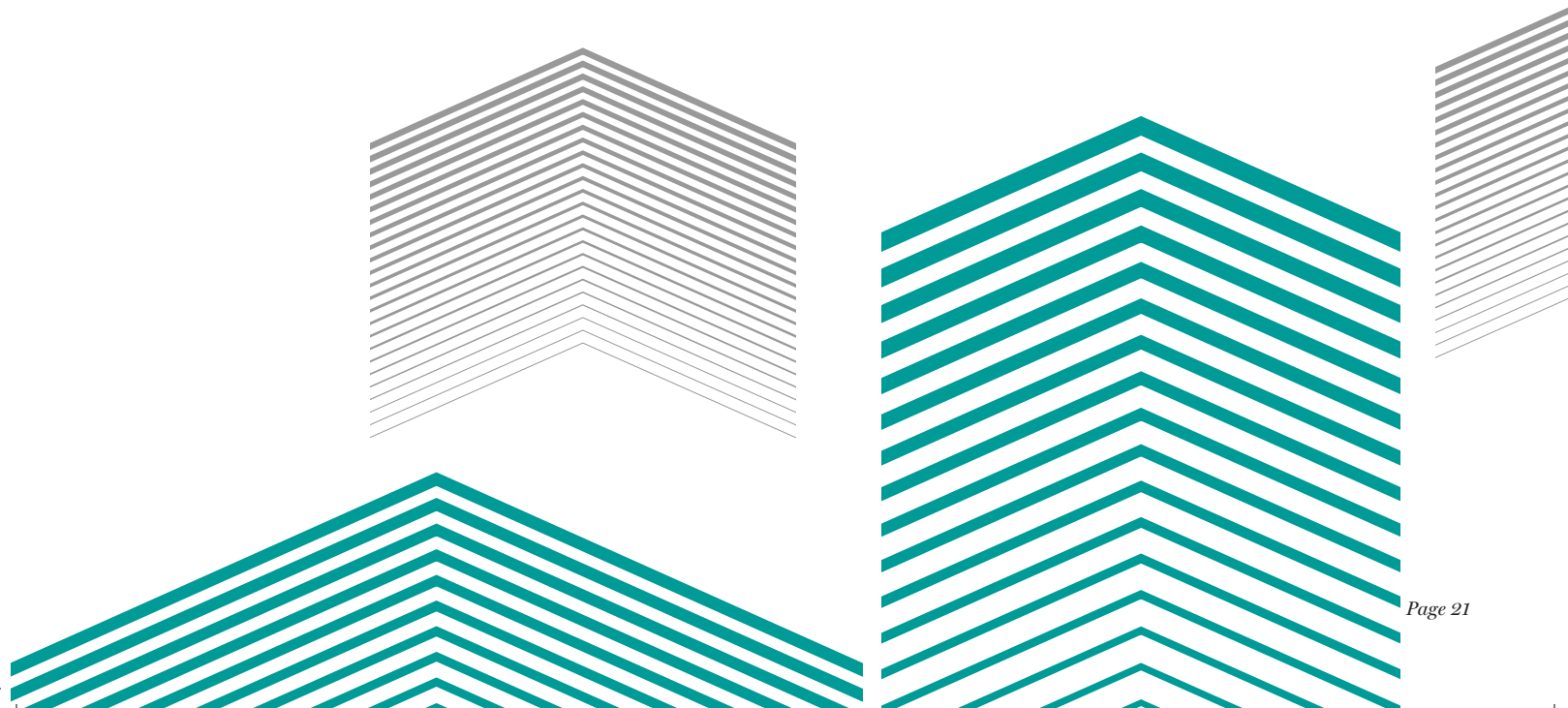
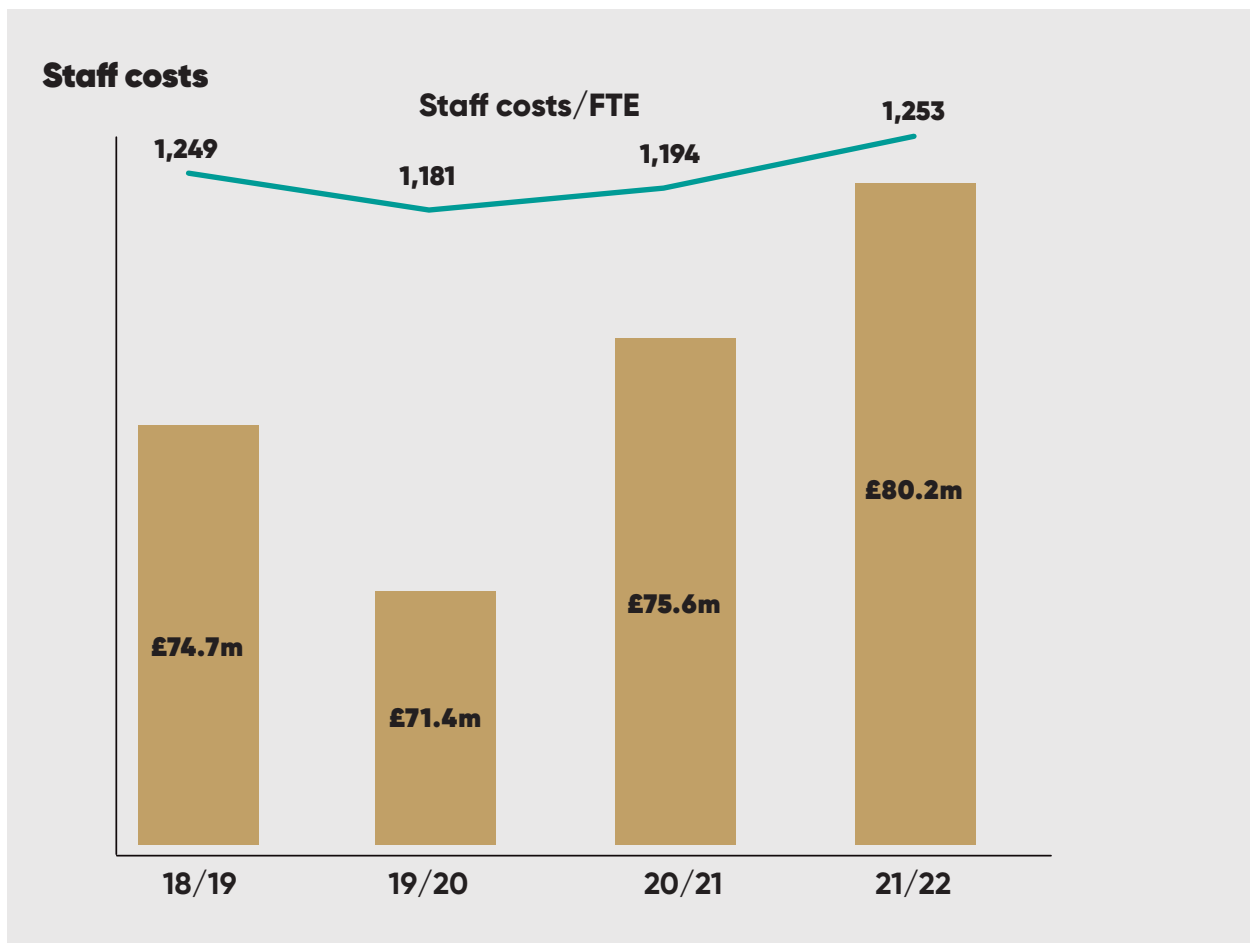




Staff Costs

Staff costs are the largest element of expenditure for the University and an important resource to ensure the University can provide the right balance between excellent teaching, research and professional support. In the year, staffing expenditure represented 51.4% of Income (2021: 58.8%).

Staff costs for the financial year were £80.2m (2021: £75.6m) an increase of 6% against an average employee FTE of 1,253 (2021: 1,194). The rise in staff costs reflects an inflationary increase and the 5% uplift in FTE in the year required to support income growth in Scotland and in London. The balance of the uplift is due to pensions costs for the year, including the Strathclyde Pension Fund total service costs of £12.3m (2021: £10.9m)



Other Operating Expenses

Other operating expenditure increased by 49.6% year on year to £47.2m (£31.6m 2021). The two main drivers for the increase were a controlled overspend on international student recruitment costs at the Scottish and London campuses in order to deliver the increased income and inflationary uplifts, particularly around energy costs.

Interest and other finance costs

Finance interest costs reduced by £0.6m in the year to £5.7m (£6.3m 2021). This reduction is due to lower net interest charges payable on the SPF pension scheme based on the University's opening net liability and lower loan interest payable as the capital sum reduces.

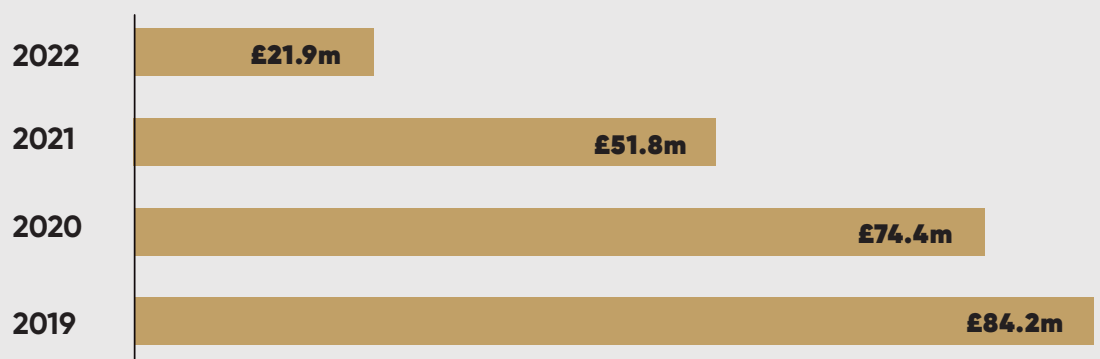
Statement of Financial Position

The University has total net assets of £154.3m as at 31 July 2022 (2021: £60.9m). The increase in net assets of £93.4m can largely be attributed to the University share of the accounting liability in the Strathclyde Pension Scheme reducing by £74.4m in year to become a net asset £26.9m (2021: liability £47.5m). The other favourable impacts are reduced borrowing and increased cash holdings as a result of cash generated through the year.

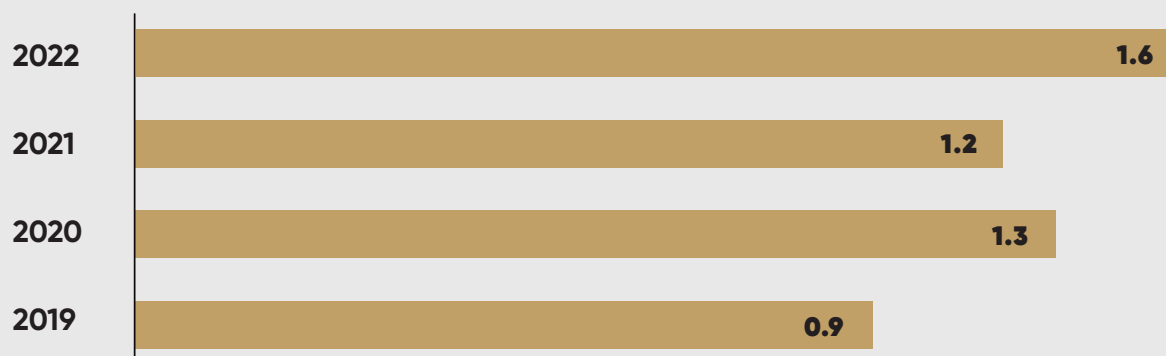
Net Debt

Overall, net debt reduced by an encouraging £299m as a result of cash generated through the year. This represented, further loan and lease repayments of £2.3m and an increase in cash at bank and deposits of £27.6m to a closing balance of £61.5m.

Net debt



Current assets ratio



The current asset ratio has improved, with an increase in current assets of a greater magnitude than the increase in current liabilities. The increase in liabilities was due to a higher level

of accruals and deferred income at 31 July 2022 than the same point in 2021. This is driven by the increased fee income from enrolments in trimesters 2 and 3 deferred into 2022/23.

Capital Investment /Estates and Facilities

During the year to 31 July 2022, £4.3m was spent on capital additions. Expenditure on furniture and fittings & equipment (£1.8m) relates to the enhancements to each of the campuses, digital provision to support remote learning and the development of the UWS social learning platform. A further £2.2m was spent on buildings.



Payment of Suppliers

In agreements negotiated with suppliers, the University endeavours to include and abide by specific payment terms. UWS is committed to dealing fairly and professionally with all of our suppliers. During 2022, 64.2% (2021: 57.1%) of invoices were paid within the 30-day target. This measure is based strictly on the date of the supplier invoice rather than the date that the invoice is confirmed as correct to be paid. Initiatives are being executed to build additional resilience into the process and improve performance moving forward. The amount of interest paid in the year under the Late Payment of Commercial Debts (Interest) Act 1998 was nil.



Pensions

The University participates in three separate defined benefit pension schemes, which are the Strathclyde Pension Fund (SPF) for non-academic staff, the Scottish Teachers Pension Scheme (STPS) for academic staff and the Universities Superannuation Scheme (USS) for academic and academic related staff. STPS comprises of two occupational pension schemes; the Scottish Teachers' Superannuation Scheme (closed to new entrants since 2015) and the Scottish Teachers' Pension Scheme 2015 (opened in 2015).

The University accounts for the SPF using full defined benefit accounting in accordance with the requirements of FRS 102. Within total net assets is the University's share of assets and liabilities in the SPF. In 2021-22 the liability reduced from £47.5m to a net asset of £26.9m. This reflects a reduction in the present value of future obligations driven by favourable remeasurement outcomes in the year.

The University continues to take the exemption permitted under FRS 102 to disclose the STPS as a defined contribution scheme as information is not available in order to calculate individual employers' share of the overall deficit. A liability is recognised within provisions for the UWS share of the obligation to fund past deficits within the USS scheme.

The continuing effect of high pension contributions for each of the schemes continues to impact on the staffing cost obligation met by the University.

Financial Sustainability

Financial sustainability continues to be a core aim at UWS. The approach adopted ensures financial resources are directed towards strategic priorities, that risks are effectively managed and that value for money is achieved.

The key performance indicators (KPI) included in the Strategy 2025 inform the financial forecasts of the University. These are monitored closely and provide reassurance to the Executive and Court as to the financial resilience of the University.

Future Developments

UWS is financially sustainable but takes full cognisance of the future challenges that lie ahead for the Higher Education sector in Scotland and beyond.

The University is committed to maintaining its growth in income over future years. This is targeted in the Strategy 2025 five-year performance framework. Whilst these targets are recognised as challenging, they are believed to be both realistic and achievable. UWS remains focused on financial risks, in particular the emerging cost pressures within the wider UK economy and as a result, maintains a prudent outlook.

UWS remains acutely aware of risks in the HE sector and the wider economy and are cognisant of these when forecasting future financial performance.



Kate Allum
Chair of Court







Trade Union Facility Time

The University has a statutory requirement under The Trade Union (Facility Time Publication Requirements) Regulations 2017 to publish information on trade union facility time annually.

This information is not subject to audit and is required by statute to be produced to year end 31st March (i.e. not the financial year end date).

Data for the reporting period 1 April 2021 to 31 March 2022 is as follows:

Trade Union representatives and full-time equivalents	
Number of employees who were relevant union officials during the relevant period	17.00
FTE number of trade union representative for this period	16.14

Percentage of working hours spent on facility time

Number of trade union representatives employed during the relevant period spending a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time

Percentage of working hours spent on facility time	
0% working hours	3
1% to 50% working hours	13
51% to 99% working hours	1
100% working hours	0

Percentage of pay bill spent on facility time	
Total cost of facility time	£116,540
Total pay bill	£71,518,301
Percentage of the total pay bill spent on facility time	0.16%

Paid trade union activities

As a percentage (%) of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the period of the reporting period of 1st April 2021 until 31st March 2022 on paid trade union activities

Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours	5.45%

Statement of Corporate Governance



Introduction

The University Court of the University of the West of Scotland (“Court”) is committed to best practice in all aspects of corporate governance, including the principles set out in the Scottish Code of Good Higher Education Governance.

Statement of Compliance

In the opinion of the Governing Body, the University complied with the principles and provisions of the 2017 Scottish Code of Good Higher Education Governance through the year.

External Regulatory Framework

The Scottish Funding Council (SFC) is the principal regulator of higher education institutions (HEIs) in Scotland. It is a Non-Departmental Public Body (NDPB) of the Scottish Government and undertakes its functions under the terms of the Further and Higher Education (Scotland) Act 2005 (the 2005 Act), as amended, including by the Post-16 Education (Scotland) Act 2013. In particular, SFC may make grants, loans or other payments to the governing bodies of institutions for the provision of further education, higher education, research and related activities.



Governing Body Structures

The University of the West of Scotland is formed as a “body corporate” under the terms of a statutory instrument. The University’s constitutional basis is contained within the University of the West of Scotland Order of Council 2019. The University is also a registered charity in Scotland with the Office of the Scottish Charity Regulator (SC002520).

University Court

The Court of the University is the supreme governing body of the University, collectively responsible for overseeing the institution’s activities, determining its future direction and fostering an environment in which the institutional mission is achieved and the potential of all learners is maximised.

Primary Responsibilities of the Court

The Primary Responsibilities of Court reflect the requirements of the revised Scottish Code of Good HE Governance:

- To protect the reputation and values of the institution
- To ensure, in conjunction with the Senate, the quality of the institution’s educational provision and adequate provision for the general welfare of students
- To approve the mission and strategic vision of the Institution, its strategic plan, key performance indicators (KPIs) and annual budgets, ensuring that they have due regard to the interests of students, staff and other stakeholders, and monitoring performance in terms of these

- To appoint the Principal and Vice-Chancellor as the Chief Executive Officer of the University and put in place suitable arrangements for monitoring his performance
- To appoint the Secretary to the governing body
- To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk management, means of evaluating the governing body's own performance and clear procedures for handling internal grievances and "whistleblowing" complaints and for managing conflicts of interest.

Committee Structures

The Scheme of Delegation outlines which matters are reserved for Court and those which can be formally delegated to its Committees.

The University Court retains ultimate responsibility for the conduct of the University, however much of the detailed work is delegated to the standing committees of Court. Following a review, revised terms of reference for the standing committees were approved by Court in September 2021. The former Policy and Resources Committee was disbanded and a new Committee, the Resources and People Committee was established. The standing committees of Court are as follows:

The **Audit and Risk Committee** provides assurance to Court on the adequacy and effectiveness of the University's internal and external audit arrangements in accordance with the appropriate Audit Code and the Scottish Funding Council's requirements and examines the Institution's financial and risk management control and governance under delegation by the Court. Through submission of an annual report, the Audit & Risk Committee provide assurances to Court on the adequacy and effectiveness of governance arrangements (not confined to financial arrangements), financial control and arrangements for promoting economy, efficiency and effectiveness.

As part of its responsibility for the financial oversight, the Audit & Risk Committee considers in detail the annual financial statements and recommends these to Court for approval.

The **Governance & Nominations Committee** provides assurances to Court on the adequacy and effectiveness of the University's governance arrangements and considers and makes recommendations to Court on the composition of the membership of Court and its sub Committees.

Attendance of Court members is reviewed annually by the Governance & Nominations Committee. An analysis of attendance during 2021/2022 is set out at page 37.

The **Remuneration Committee** has delegated responsibility for approving all terms of appointment, including remuneration, annual pay awards and performance pay, for the Principal and Vice-Chancellor and all members of the Vice-Chancellor's Executive Group. Details of the remuneration of higher paid staff are set out in Note 7 to the financial statements.

The work of the Remuneration Committee is governed by a clear remuneration framework, approved by Court and is informed by benchmarking data and comparator information on salaries and other benefits and conditions of service in the HE sector.

When appraising the Principal's performance, the Chair of Court consults lay, staff and student governors on the Principal's performance in relation to his objectives and the performance of the University and reports to the Remuneration Committee.

The **Resources & People Committee** maintain oversights on behalf of the Court for the University's people (staff* and students), physical and digital infrastructure strategies, policy statements (other than academic policies approved by Senate) and monitors progress in delivery of the Shaping our Communities & Society Thematic Plan in support of the UWS Strategy 2025. (*excluding pay, reward and performance of staff which is overseen by the Remuneration Committee)

The **Health and Safety Committee** advises the Court on all matters relating to health and safety within the University and promotes an evolving and proactive culture in health and safety throughout the University.



Senate

The Court delegates powers to the Senate in relation to the academic matters of the University.

The Senate is responsible for the overall planning, co-ordination, development and supervision of the academic work of the University, the maintenance of academic standards, the regulatory framework for academic awards and the promotion of academic development, research and scholarly activity.

Senate is also able to establish and delegate authority to a number of sub committees of Senate for a number of areas of its work.

Senate is accountable to Court and submits regular reports on its work to Court during the course of the year. Members of Court are invited to attend meetings of Senate as observers.

Key Governance Activities of Court during 2021-22

Court and its Committees have maintained a full programme of business during the academic year through a blend of face to face and remote or hybrid meetings depending on COVID pandemic restrictions at the time.

During the 2021/2022 financial year, the University Court engaged in a number of key governance activities including:

- To ensure clarity around the roles and responsibilities of the sub Committees of Court and avoid duplication of business, the former Policy & Resources Committee was disbanded and a newly constituted Resources & People Committee established with a focus on people, infrastructure and institutional culture. Responsibility for oversight of the University's financial arrangements transferred to the Audit & Risk Committee. At the end of its first year of operation, Court agreed that the new arrangements were operating effectively.
- Court established a Selection Committee with responsibility for maintaining, on behalf of the Court, oversight of the process and arrangements for the appointment of a new Principal and Vice-Chancellor. At an

extra ordinary meeting on 25th July 2022, Court approved the recommendation on the appointment of Professor J Miller as Principal and Vice-Chancellor.

- A recruitment exercise for new members of Court was undertaken reflecting identified gaps in the skills mix of the current membership and to ensure appropriate succession planning.
- In line with good practice, and an expectation of the Code, a range of activities are undertaken to review the effectiveness of the Court, including members' self-evaluation, 1-1 meetings with the Chair and a review of the overall effectiveness of Court. In addition, during the year Court agreed that consideration of opportunities to enhance the effectiveness of the Court should be a standing item at meetings of the Governance & Nominations Committee. An externally facilitated review of effectiveness was undertaken in the 2019/2020 academic year, the outcomes from which have been published on the UWS website.

<https://www.uws.ac.uk/media/6523/review-of-the-effectiveness-of-uws-court-2020.pdf>

Key Officers of the University

Chancellor

The Chancellor is the titular head of the University with the power to confer degrees, diplomas and other academic distinctions. The University Chancellor is Dr Yekemi Otaru BEng, MBA, MSc, MCIM.

The Chair of Court

The Chair of Court is responsible for the leadership of the governing body and is ultimately responsible for its effectiveness. The Chair's responsibilities are set out in the Court Handbook and in the role description.

The Chair is responsible for ensuring that the University has due regard to the interests of all stakeholders in carrying out its business. The University has developed various initiatives to ensure it is well-connected with its stakeholders and continues to develop these.

The Principal and Vice-Chancellor meets with the Chair of Court and the Chairs of the Court



Standing Committees in advance of each meeting of Court which allows the Chairs to raise any issues about the conduct of their committees' business. There is a Vice Chair of Court and an independent intermediary member who is a point of contact for governors in the event that a Court member wishes to raise an issue regarding the Chair of Court. This is in addition to the annual appraisal process for the Chair of Court.

The Secretary to Court meets regularly with the Chair of Court to ensure that the conduct of Court business is carried out in accordance with the Standing Orders, meetings are properly clerked and that minutes are produced timeously. Court minutes are published on the University website. (www.uws.ac.uk/about-uws/governance/court/meeting-minutes/).

Principal and Vice-Chancellor

The Principal and Vice-Chancellor is the chief academic and administrative officer of the University. The Principal and Vice-Chancellor is subject to the general control and direction of the Court. The Principal and Vice-Chancellor is the Chair of the Senate and the Designated (Accounting) Officer under the terms of the Scottish Funding Council Financial Memorandum. The responsibility for the day to day running of the University rests with the Principal supported by a Vice-Chancellor's Executive Group.

Leadership and Management

The Vice-Chancellor's Executive Group is responsible for the day-to-day management of the University. Each member of the Executive has clearly defined, functional roles contributing to strategic policy and decision making relating to all areas of the University. Teaching and Research are grouped into Academic Schools and are supported by a number of Professional Support Departments.

The Schools are the cornerstones of academic life at the University, offering high quality programmes, professional training courses, research opportunities and consultancy services. The Schools also host the research excellence of individuals and groups to consolidate the University's success in attracting major grants, further develop collaborations across the University and with partners within and outside Scotland, and work with end-users in the public and private sectors.

Governor Development

The members of Court consist of lay members, students and staff. The University is committed to governor development and sees it as an important part of the infrastructure to sustain high quality governance.

The Induction Framework includes core induction sessions covering Governance Structures and the role of the University Court; Legal Responsibilities and Funding and Strategic Planning. Although aimed at new members of Court, all members of Court are welcome to attend as part of their ongoing CPD. Introductory meetings on appointment are also arranged with the Chair of Court, Principal and the Secretary to Court and all new members of Court are asked to attend a meeting of the Senate as an observers as part of their induction.

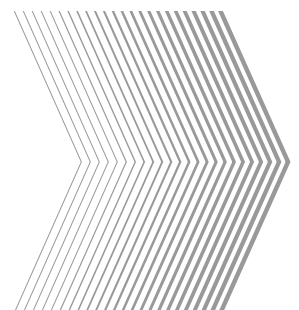
CPD/Information Sessions for all members of Court are also planned on a range of relevant topics and held throughout the year.

Additional induction sessions are arranged for new members of the Audit & Risk Committee.

To help with the familiarisation process in their first year on Court, governors are also offered the opportunity to be paired with an experienced member of Court to assist them to transition into the role.

Details of external courses and governance briefings for the induction and further development of members of Court are communicated to members, along with other appropriate events, in the regular communications with Court.

Other arrangements designed to keep members of Court up to date with University developments and throughout the sector include strategic presentation and discussion items, Campus Showcase events, University Announcements and the staff e-bulletin.





UWS Strategy

The University Court was involved in the development of the Strategy 2025 from early inception, through development to final approval. A dynamic and comprehensive strategic planning process underpins the monitoring of progress towards delivery of the agreed Performance Framework. The University's Executive and the Court receive regular reports on progress towards delivery of the Strategy's Performance Framework against an agreed reporting schedule. The associated financial plan is also reviewed within that reporting schedule.

Three thematic plans underpin the strategy and help translate the aspirations of Strategy 2025 into actions for implementation and ongoing monitoring: Excellent Learning and Teaching, Distinctive Research and Innovation, and Shaping Communities and Society.

Risk management and internal control

The University faces a number of strategic risks which could affect its academic, professional and commercial ambitions.

The University takes a systematic approach to managing risk at institutional, school/department and project levels. The levels of risk the University is seeking to take, or willing to accept are key elements within these arrangements and feature in discussions between Executive Officers and with Members of Court.

Underpinning this is a risk management framework embedded throughout the University which incorporates an institutional risk procedure, guidance, and managed arrangements for recording, reviewing and escalating risk information.

High level risks to the University achieving the UWS Strategy are managed closely and documented on the Strategic Risk Register. Reflecting the importance of these corporate risks, each is assigned an owner from the Vice-Chancellor's Executive Group with executive responsibility for managing that risk. These risks are formally reviewed quarterly with the Strategic Risk Register submitted periodically to the Audit and Risk Committee and Court.

UWS has closely monitored, and sought to mitigate, the impact of Brexit for UWS and its staff and students since 2016. A working group from across the University has supported a joined-up approach to considering student and staff wellbeing, future staff and student recruitment, European research partnerships, and financial risks. Through this process, the University has communicated clearly and sensitively on topics such as right-to-remain, the future of the Erasmus programme, and has affirmed and consolidated partnership with institutions and research partners within the EU. Schools and Professional Departments have reflected the variable risks in their relevant risk registers, recognising the differential risks experienced by different groups (e.g. School of Business and Creative Industries with highest EU student recruitment, School of Computing, Engineering and Physical Sciences with highest EU research income and partnerships). These risks have been reflected in annual planning rounds, briefings to the executive and the Strategic Risk Register with actions and mitigations appropriately in place.

System of Internal Control

The University Court is responsible for the University's system of internal control and for the economic, efficient and effective use of all available resources. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Court maintains oversight of the control environment and key risks by considering reports from the Executive and the Audit and Risk Committee throughout the year. Reports include progress against the Performance Framework arising from the UWS Strategy, financial performance, risk management and developments in key business activities. The Scheme of Delegation is designed to ensure that high value / high risk decisions are approved at the most appropriate level. The Audit and Risk Committee maintains an overview of the institutional risk management policy and reports to Court accordingly.



Review of the effectiveness of the System of Internal Control

The Audit and Risk Committee conducts an annual assessment of the effectiveness of the system of internal control and reports to Court. UWS has an in-house Internal Audit function which provides an independent assessment of the University's system of internal control. The Head of Internal Audit agrees an annual plan of work which includes an assessment of governance and risk management arrangements, performance and value for money. The Audit and Risk Committee considers the annual report by the Head of Internal Audit and reports by the University's external auditor on the audit of the annual financial statements in reaching a conclusion.

Going Concern

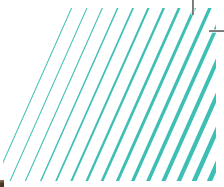
The Court considers that the University has adequate resources to continue in operational existence as a going concern for the foreseeable future.

Conclusion

Court considers that an adequate and effective system of internal control has been established and that there are appropriate processes in place for identifying, evaluating and managing the University's significant risks for the year ended 31 July 2022 and up to the date of approval of the Financial Statements.

Kate Allum
Chair of Court







Statement of the University Court's Responsibilities for Accounting and the Financial Statements



In accordance with the University's formal governance arrangements, the Court is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Court considers that the University has adequate resources to continue its operations for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

The Court is responsible for keeping proper accounting records, which are sufficient to disclose, with reasonable accuracy, the financial position of the University at any time and enable it to ensure that the financial statements are prepared in accordance with the Statutes, the 2019 Statement of Recommended Practice (SORP): Accounting for Further and Higher Education and other relevant accounting standards, including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

In addition, within the terms and conditions of a Financial Memorandum agreed between the Scottish Funding Council and the Court of the University, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the University's surplus or deficit, total comprehensive income and expenditure and cash flows for that year.

When preparing the University financial statements, the Court is required to:

- ensure suitable accounting policies are selected and applied consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess 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 they either intend to liquidate the University, or to cease operations, or have no realistic alternative but to do so.

The Court is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material mis-statement, whether due to fraud or error.

The Court has taken reasonable steps to:

- ensure that funds from the Scottish Funding Council are used only for the purposes for which they have been given and have been applied in accordance with the Financial Memorandum with Higher Education Institutions issued by the Scottish Further and Higher Education Funding Council ("SFC") and any other conditions which the SFC may from time to time prescribe;
- ensure that any other funds, from whatever source, administered by the University for specific purposes, have been properly applied to those purposes in accordance with relevant legislation and any other terms and conditions attached to them;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University and hence take reasonable steps to prevent and detect fraud and other irregularities; and
- secure the economical, efficient and effective management of the University's resources and expenditure.

The trustees are responsible for the maintenance and integrity of the financial and other information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Membership of Court and Key Committees

The following were members of Court for all or part of the year ended 31 July 2022 or the period between the year end and the date of approval of these financial statements.

Court Member	Date of Appointment	Date of Retirement	Category of Membership
Mr O Adams Adamatie	28/11/22		Student
Mrs K Allum			Lay (Chair)
Professor J Brewer	01/03/22	30/10/22	Interim Deputy Principal
Ms A Buchanan			Nominated by Support Staff Trade Unions
Mr A Burns		31/08/22	Nominated by Academic Staff Trade Union
Professor S Carnicelli	01/10/22		Senate Representative
Ms S Elufioye	01/07/22		Student
Ms E Gomersall		30/06/22	Student
Mr A Gubbay			Lay
Mr A Gordon		31/12/21	Lay
Ms R Grant	01/07/22	30/09/22	Student
Mr L Humberstone		30/06/22	Student
Professor C Mahoney		28/02/22	Principal and Vice-Chancellor
Mr A Mallick			Lay
Dr L Meredith	01/03/22		Stood down as interim Principal and Vice-Chancellor 31/10/22 but remains as Deputy Principal
Mr A Miller			Lay
Professor J Miller	01/11/22		Principal and Vice-Chancellor
Ms A Mitchell	30/08/22		Lay
Mr J Mone	01/11/21		Elected by All Other Staff
Mr C Morgan			Lay
Mrs L Muazu	01/02/22		Lay
Mr A Munro			Lay
Mr K Murdoch			Lay
Professor C MacDonald		31/07/22	Lay (Vice Chair)
Ms A McKechin		30/06/22	Lay
Dr I McLellan			Elected by Academic Staff
Dr C O'Donnell		31/10/22	Senate Representative
Ms T O'Donnell		31/10/22	Lay
Ms R Paterson *			Lay
Mr K Quinlan			Lay
Mr H Stolkin			Lay

* leave of absence from 1st February 2022

Attendance at Court and Committee meetings for the year to July 2022

	COURT			COURT COMMITTEES MEMBERSHIP				
	COURT MEETINGS	STRATEGIC WORKSHOP 7th Sept 2021	RESIDENTIAL 25th/26th April 2022	R&PC	ARC	REM COM	GOV & NOMS	H&SC
Mrs K Allum	6 of 6	1 of 1	1 of 1	4 of 5		4 of 4	4 of 4	
Professor J Brewer	3 of 3	N/A	1 of 1	2 of 3			1 of 1	
Ms A Buchanan	3 of 6	1 of 1	0 of 1					
Mr A Burns	1 of 6	0 of 1	0 of 1				2 of 4	
Mr R Doherty **	N/A	1 of 1	N/A		4 of 4			
Ms E Gomersall	5 of 5	1 of 1	1 of 1	5 of 5			4 of 4	2 of 2
Mr A Gordon	2 of 2	1 of 1	N/A	1 of 1		3 of 3		
Mr A Gubbay	5 of 6	1 of 1	1 of 1	4 of 4				
Mr L Humberstone	5 of 5	1 of 1	1 of 1					
Professor C Mahoney	2 of 2	1 of 1	N/A	0 of 1			2 of 2	
Mr A Mallick	5 of 6	1 of 1	1 of 1					
Dr L Meredith	6 of 6	1 of 1	1 of 1	5 of 5			4 of 4	
Mr A Miller	6 of 6	1 of 1	1 of 1		4 of 4	4 of 4	1 of 1	
Mr J Mone	5 of 5	N/A	1 of 1					
Mr C Morgan	5 of 6	1 of 1	1 of 1	4 of 4				
Mrs L Muazu	4 of 4	N/A	1 of 1	3 of 3				1 of 1
Mr A Munro	6 of 6	1 of 1	0 of 1		4 of 4			
Mr K Murdoch	6 of 6	1 of 1	1 of 1		4 of 4			
Professor C MacDonald	5 of 6	0 of 1	1 of 1	2 of 3		4 of 4	3 of 3	
Ms M McCusker	1 of 1	1 of 1	N/A					
Ms A McKechin	5 of 5	1 of 1	1 of 1		3 of 4		4 of 4	
Dr I McLellan	5 of 6	1 of 1	1 of 1	5 of 5				
Dr C O'Donnell	5 of 6	1 of 1	1 of 1	5 of 5				
Ms T O'Donnell	4 of 6	1 of 1	1 of 1	4 of 5			4 of 4	
Ms R Paterson *	2 of 2	1 of 1	N/A					
Mr K Quinlan	4 of 6	1 of 1	0 of 1		0 of 2			
Mr H Stolk	6 of 6	1 of 1	1 of 1	4 of 4				

*leave of absence from February 2022

**co-opted member of Audit & Risk Committee

- **R&PC** = Resources & People Committee
- **ARC** = Audit & Risk Committee,
- **REM COM** = Remuneration Committee;
- **GOV & NOMS** = Governance and Nomination Committee
- **H&SC** = Health & Safety Committee

Independent Auditor's Report to the Court of the University of the West of Scotland

Opinion

We have audited the financial statements of the University of the West of Scotland ("the University") for the year ended 31 July 2022 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows and related notes, including the Statement of Principal Accounting Policies.

In our opinion the financial statements:

- Give a true and fair view of the state of the University's affairs as at 31 July 2022 and of the University's income and expenditure, gains and losses and changes in reserves and of the cash flows for the year then ended;
- Have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland and with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education*; and
- Have been prepared in accordance with the requirements of Charities and Trustee Investment (Scotland) Act 2005 and regulation 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed as auditor under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with the regulations made under that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), applicable law and the terms of our engagement letter dated 12 March 2020. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the University in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The University Court of the University of the West of Scotland have prepared the financial statements on the going concern basis as they do not intend to liquidate the University or to cease its operations, and as they have concluded that University's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the University Court's conclusions, we considered the inherent risks to the University's business model and analysed how those risks might affect the University's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- We consider that the University Court's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Independent Auditor's Report to the Court of the University of the West of Scotland (continued)

- We have not identified, and concur with the University Court's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the University's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the University will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud.

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring the University Court, the audit committee, internal audit as to the University's high-level policies and procedures to prevent and detect fraud, including the internal audit function and the University's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading University Court and audit committee minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet performance targets we perform procedures to address the risk of management override of controls, in particular the risk that University management may be in

a position to make inappropriate accounting entries and the risk of bias in accounting estimates such as pension assumptions. On this audit we do not believe there is a fraud risk related to revenue recognition because tuition fee income is mainly received in the period to which it relates with limited judgement in respect of recognition and other income amounts are substantially less material.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the University wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unexpected journal combinations.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the University Court and other management (as required by auditing standards), and discussed with the University Court and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.





Independent Auditor's Report to the Court of the University of the West of Scotland (continued)

The University is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities and higher education legislation), taxation legislation, pensions legislation, and higher education financial reporting related regulation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the University is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The University Court of the University (the members of which are the Trustees of the University for the purposes of charity law) is responsible for the other information, which comprises all of the information 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, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge

We are required to report to you if:

- Based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Strategic Report (which constitutes the Trustees' Annual Report for the financial year) is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- The University has not kept proper accounting records; or
- The financial statements are not in agreement with the accounting records; or
- We have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.



Independent Auditor's Report to the Court of the University of the West of Scotland (continued)

The University Court's responsibilities

As explained more fully in its statement set out on page 35, the University Court of the University is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing 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 it either intends to liquidate the University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Report on other legal and regulatory matters

We are required under the terms of our engagement to report on the following matters in relation to the Financial Memorandum with Higher Education Institutions (issued 1 December 2014) issued by the Scottish Further and Higher Education Funding Council ("the SFC").

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, if relevant, managed in accordance with relevant legislation and any other terms and conditions attached to them; and
- funds provided by the SFC have been applied in accordance with the Financial Memorandum with Higher Education Institutions.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the University Court of the University in accordance with the West of Scotland Order of Council 2019, and in the University Court's role as charity trustees, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 and the terms of our engagement by the University. Our audit work has been undertaken so that we might state to the University Court of the University those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the University, 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 University Court of the University, for our audit work, for this report, or for the opinions we have formed.

Michael Wilkie
for and on behalf of **KPMG LLP, Statutory Auditor**
Chartered Accountants
KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
319 St Vincent Street
Glasgow, G2 5AS

7 DECEMBER 2022

Statement of Comprehensive Income for the year ended 31 July 2022



		2022	2021
	NOTE	£'000	£'000
INCOME			
Tuition fees and education contracts	1	65,553	43,086
Funding body grants	2	79,638	77,340
Research grants and contracts	3	5,522	4,814
Other income	4	4,935	3,008
Investment income	5	93	85
Donations and endowments	6	167	127
TOTAL INCOME		155,908	128,460
EXPENDITURE			
Staff costs	7	80,199	75,572
Exceptional restructuring costs	7	190	497
Interest and other finance costs	8	5,741	6,319
Other operating expenses	9	47,249	31,593
Depreciation	10	11,782	12,853
TOTAL EXPENDITURE		145,161	126,834
SURPLUS BEFORE OTHER GAINS LOSSES			
Gain on disposal of fixed assets		(9)	-
Unrealised surplus /(deficit) on revaluation of investments		(410)	1,216
SURPLUS FOR THE YEAR			
Actuarial gain in pension plan	16	83,121	33,405
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		93,449	36,247

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

	INCOME & EXPENDITURE UNRESTRICTED	REVALUATION RESERVE	TOTAL RESERVES
	£'000	£'000	£'000
Balance as at 31 July 2020	(8,046)	32,656	24,610
Surplus/deficit for the year	1,626	1,216	2,842
Other comprehensive income	33,405	-	33,405
Excess of depreciation on revaluation	1,281	(1,281)	-
Balance as at 31 July 2021	28,266	32,591	60,857
Surplus/deficit for the year	10,738	(410)	10,328
Other comprehensive income	83,121	-	83,121
Excess of depreciation on revaluation	1,281	(1,281)	-
Balance as at 31 July 2022	123,406	30,900	154,306

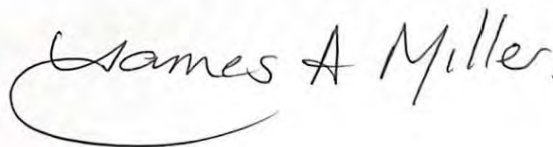
Statement of Financial Position as at 31 July 2022

	NOTE	2022 £'000	2021 £'000
NON CURRENT ASSETS			
Tangible assets	10	207,235	215,933
Investments	11	9,374	8,840
Pension Asset	16	26,944	-
		243,553	224,773
CURRENT ASSETS			
Stock		283	314
Trade and other receivables	12	23,634	11,720
Cash and cash equivalents	13	61,488	33,901
		85,405	45,935
Creditors: amounts falling due within one year	14	(53,600)	(37,547)
Net current assets		31,805	8,388
TOTAL ASSETS LESS CURRENT LIABILITIES		275,358	233,161
Creditors: amounts falling due after more than one year	15	(115,837)	(118,371)
PROVISIONS			
Pension provision	16	(5,215)	(53,933)
TOTAL PROVISIONS		(5,215)	(53,933)
TOTAL NET ASSETS		154,306	60,857
RESERVES			
Income and expenditure reserve	17	123,406	28,266
Revaluation reserve	17	30,900	32,591
TOTAL RESERVES		154,306	60,857

The Financial Statements on pages 42 to 65 were approved by Court on 29 November 2022 and were signed on its behalf by:



Kate Allum
Chair of Court



Professor James A Miller
Principal and Vice-Chancellor

Statement of Cash Flows for the year ended 31 July 2022

	2022	2021
	£'000	£'000
Cash flow from operating activities		
Surplus for the year	10,328	2,842
Adjustment for non-cash items		
Staff service cost adjustment for SPF	7,864	6,621
Unrealised surplus/(deficit) on revaluation of investments	410	(1,216)
Depreciation	11,782	12,853
Release of deferred capital grants	(2,431)	(2,720)
Decrease/(Increase) in stocks	33	(233)
(Increase) in debtors	(11,914)	(1,724)
Increase in creditors	15,891	8,193
Pension provision	(1,324)	(557)
Decrease in other provisions	-	(343)
Adjustment for Investing or financing activities		
Investment income	(93)	(85)
Interest payable	5,741	6,319
Loss on disposal of fixed assets	(9)	-
Net cash inflow from operating activities	36,278	29,950
Cash flows from investing activities		
Investment income	93	85
Proceeds from the sale of fixed assets	1,237	-
New non-current investment	(800)	-
Payments made to acquire fixed assets	(4,311)	(3,967)
Movement in non-current asset investments	(144)	(39)
Total cash outflow from investing activities	(3,925)	(3,921)
Cash flows from financing activities		
Interest paid	(840)	(1,194)
Interest element of finance lease	(3,981)	(3,964)
Repayment of long term loans	(1,131)	(15,512)
Capital grants received	2,334	1,674
Capital element of finance lease	(1,148)	(1,758)
Total cash (outflows) from financing activities	(4,766)	(20,754)
Increase in cash and cash equivalents in the year	27,587	5,275
Cash and cash equivalents at the beginning of the year	33,901	28,626
Cash and cash equivalents at the end of the year	61,488	33,901

Notes to the Financial Statements

1. TUITION FEES AND EDUCATION CONTRACTS	2022	2021
	£'000	£'000
Tuition Fees - Scotland	22,848	18,906
Tuition Fees - EU	2,742	3,316
Tuition Fees - RUK	4,943	4,297
Tuition Fees - Non- EU	30,103	13,425
Transnational Education	2,112	1,518
Short Course Fees	987	226
Total Fees paid by or on behalf of individual students	63,735	41,688
Nursing Education contract	1,818	1,398
	65,553	43,086

2. FUNDING COUNCIL GRANTS	2022	2021
	£'000	£'000
Recurrent Grant from SFC		
Teaching	69,989	68,263
Research	2,884	2,900
Strategic Funds	4,372	3,485
Subtotal SFC grant income received in year	77,245	74,648
Deferred Capital Grant released in Year		
Buildings	1,199	1,145
Equipment	1,194	1,547
	79,638	77,340

3. RESEARCH GRANTS AND CONTRACTS	2022	2021
	£'000	£'000
Research Council	1,140	819
European Commission	1,144	854
UK Charities	308	300
Other grants & contracts	2,930	2,841
	5,522	4,814



4. OTHER INCOME	2022	2021
	£'000	£'000
Residences, catering and conferences	2,777	1,652
Other services rendered	365	289
Other income	1,793	1,067
	4,935	3,008

5. INVESTMENT INCOME	2022	2021
	£'000	£'000
Interest receivable	36	26
Dividends receivable	57	59
	93	85

6. DONATIONS	2022	2021
	£'000	£'000
Unrestricted donations	167	127
	167	127

7. STAFF COSTS	2022	2021
	£'000	£'000
Wages and salaries	56,327	53,380
Social security costs	6,054	5,431
Pension costs (note 16)	17,818	16,761
	80,199	75,572
Exceptional restructuring cost*	190	497
AVERAGE STAFF NUMBERS BY MAJOR CATEGORY		
Academic & Research	625	589
Professional Services	492	451
Other Including Clerical and Manual	95	99
Technical	41	55
	1,253	1,194
STAFF COSTS BY MAJOR CATEGORY		
Academic & Research	48,870	46,430
Professional Services	26,581	23,724
Other Including Clerical and Manual	2,815	2,817
Technical	1,933	2,601
	80,199	75,572
EMOLUMENTS OF THE PRINCIPAL AND VICE-CHANCELLOR ⁽¹⁾		
Craig Mahoney:		
Salary	120	236
Emoluments in lieu of pension contributions	20	39
Employers' pension contributions	6	5
	146	280
Lucy Meredith:		
Salary	107	-
Emoluments in lieu of pension contributions	-	-
Employers' pension contributions	25	-
	132	-
TOTAL	278	280
THE TOTAL COMPENSATION FOR KEY MANAGEMENT PERSONNEL ⁽²⁾ (excluding the Principal and Vice-Chancellor) for the year ended 31 July 2022 was as follows:		
Salary	618	675
Compensation for loss of office (KMP only)	-	106
Employers' NI contributions	80	103
Employers' pension contributions	131	170
	829	1,054

*The exceptional restructuring cost relates to Voluntary Severance and Voluntary Retirement.

⁽¹⁾ Craig Mahoney served as Principal and Vice-Chancellor until 5 January 2022. Thereafter, Lucy Meredith took over in the role in an interim capacity.

The Principal and Vice-Chancellor is a member of one of the pension schemes supported by UWS and employer contributions are standard. The payment in lieu of pension contributions is in line with the agreed UWS policy for any staff who are eligible.

The ratio of the remuneration of the Principal to the median salary of a University staff member is 5.7 (2021: 5.7).

⁽²⁾ Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling activities of the University: this comprises the members of the Vice-Chancellor's Executive.

COMPENSATION FOR LOSS OFFICE TO KMP				
	2022		2021	
	NUMBER	£'000	NUMBER	£'000
Number of payments made to KMP	-	-	1	106
Number of payments in excess of 100k	-	-	1	106
Compensation arrangements for staff members earning in excess of £100,000.	-	-	1	106

REMUNERATIONS OF HIGHER PAID STAFF (EXCLUDING EMPLOYERS' NI AND PENSION CONTRIBUTIONS)						
	2022			2021		
	MEMBERS OF KEY PERSONNEL	OTHER STAFF	TOTAL	MEMBERS OF KEY PERSONNEL	OTHER STAFF	TOTAL
£100,000 - £109,999	-	-	-	-	1	1
£110,000 - £119,999	-	1	1	3	3	6
£120,000 - £129,999	2	1	3	1	-	1
£130,000 - £139,999	1	-	1	1	-	1
£170,000 - £179,999	1	-	1	-	-	-

During the year a Member of Key Personnel was promoted to the position of Principal and Vice-Chancellor on a temporary basis. This individual has been included within the analysis above. The table above only includes key management personnel that received remuneration in excess of £100,000 during the year. Joiners or leavers are only included where their total remuneration for the part of the year that they were in post exceeds the £100,000 threshold.

Court Members

The University Court members are the trustees for the charitable law purposes. Due to the nature of the University's operations and the membership of Court, it is inevitable that the transactions will take place with organisations in which a member of Court may have an interest. All transactions involving organisations in which a member of Court may have an interest are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement procedures. The register of interests for Court members is made available to the public via our website. The total expenses paid to or on behalf of the Court members was £3,826 (2021: £596).

8. INTEREST AND OTHER FINANCE COSTS	2022	2021
	£'000	£'000
Bank interest	840	1,194
Finance lease interest	3,981	3,964
Net charge on pension scheme	920	1,161
	5,741	6,319

9. OTHER OPERATING EXPENDITURE BY ACTIVITY	2022	2021
	£'000	£'000
Academic Departments	22,653	10,742
Academic Services	7,089	7,283
Research Grants and Contracts	1,020	1,552
Residences, Catering and Conferences	1,500	1,084
Premises	4,865	3,716
Administration	9,837	7,092
Other services rendered	285	124
	47,249	31,593
OTHER OPERATING EXPENSES INCLUDE		
Auditor's Remuneration: External Audit - Audit Services inc VAT	90	88
Auditor's Remuneration: External Audit - Tax Services inc VAT	19	34
Operating lease costs	1,357	518

10. FIXED ASSETS						
	FREEHOLD LAND	LEASEHOLD BUILDINGS	FREEHOLD BUILDINGS	FIXTURES, FITTING & EQUIPMENT	ASSETS IN COURSE OF CONSTRUCTION	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
COST						
At 1 August 2021	7,391	63,600	175,532	46,460	1,288	294,271
Additions	-	-	2,170	1,791	370	4,331
Disposals	(2)	-	(2,962)	(2,450)	-	(5,414)
Transfers	-	-	-	969	(969)	-
AT 31 JULY 2022	7,389	63,600	174,740	46,770	689	293,188
DEPRECIATION						
At 1 August 2021	-	5,595	38,869	33,874	-	78,338
Charge for year	-	1,767	5,669	4,346	-	11,782
Disposals	-	-	(1,717)	(2,450)	-	(4,167)
AT 31 JULY 2022	-	7,362	42,821	35,770	-	85,953
NET BOOK VALUE						
AS AT 31 JULY 2022	7,389	56,238	131,919	11,000	689	207,235
Assets held under finance leases included in the total above	-	56,238	-	1,285	-	57,523
NET BOOK VALUE						
As At 31 July 2021	7,391	58,005	136,663	12,586	1,288	215,933
Assets held under finance leases included in the total above	-	58,005	-	2,508	-	60,513

11. INVESTMENTS	LISTED	UNLISTED	2022	2021
	£'000	£'000	£'000	£'000
Balance at 1 August	8,015	825	8,840	7,586
Additions to Investments	880	800	1,680	1,771
Disposal of Investments	(602)	-	(602)	(1,371)
Realised gains on disposal	31	-	31	147
Unrealised gain / (loss) on revaluation	(624)	-	(624)	730
Net Cash Movement	49	-	49	(23)
Balance at 31 July	7,749	1,625	9,374	8,840

Unlisted Investments are Associated Undertakings comprised of companies registered in Scotland as follows:

ASSOCIATED UNDERTAKING	% HOLDING	PRINCIPAL ACTIVITIES AND OTHER ORGANISATIONAL INFORMATION
Wellfish Diagnostics Limited	23.54	Provides fish specific clinical chemistry analysis and interpretation. Aims to enhance the sustainability of the aquaculture industry.
Novosound Limited	21.4	Designs and engineers a range of ultrasound products for non-destructive inspection and monitoring.

Investments in Associated Undertakings are stated at cost less impairment. No dividends or other distributions were received during the year.

12. TRADE AND OTHER RECEIVABLES	2022	2021
	£'000	£'000
Amounts falling due within one year:		
Trade Debtors	12,890	5,336
Other Debtors	69	75
Prepayments and accrued income	10,675	6,309
	23,634	11,720

Financial instrument assets comprise: Trade debtors, other debtors and accrued income totalling £14.496m (2021: £7.579m).

13. CASH AND CASH EQUIVALENTS	2022	2021
	£'000	£'000
Bank deposits	61,488	33,901
	61,488	33,901

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2022	2021
	£'000	£'000
Unsecured loan	1,136	1,130
Obligations under finance leases	1,038	1,148
Trade payables	487	453
Other creditors and deposits	2,961	2,662
Social security and other taxation payable	1,987	1,426
Accruals and deferred income	43,448	28,450
Deferred capital grants	2,543	2,278
	53,600	37,547

All current finance leases reflect investment relating to IT equipment and the new campus in Lanarkshire.

15. CREDITORS: AMOUNTS DUE AFTER ONE YEAR				
	OBLIGATION UNDER FINANCE LEASE	LOAN REPAYMENT	DEFERRED CAPITAL GRANT	TOTAL 2022
	£'000	£'000	£'000	£'000
Due between one and two years	256	888	2,150	3,294
Due between two and five years	758	2,032	5,165	7,955
Due after five years	63,087	14,201	27,300	104,588
	64,101	17,121	34,615	115,837

	OBLIGATION UNDER FINANCE LEASE	LOAN REPAYMENT	DEFERRED CAPITAL GRANT	TOTAL 2021
Due between one and two years	1,038	1,150	2,219	4,407
Due between two and five years	685	2,222	4,805	7,712
Due after five years	63,419	14,883	27,950	106,252
	65,142	18,255	34,974	118,371

The University has a loan facility of up to £26.5 m (2021 - £41.5m), £24.5m of which has been drawn down. Interest is charged at rates of:

- £10.0m 5.04 % fixed for 20 years
- £10.0m 5.52 % fixed for 20 years
- £ 4.5m 3.94 % fixed for 10 years

The total loan interest charged in the year was £0.840m (2021: £1.194m).

Financial instrument liabilities comprise: unsecured loans, obligations under finance leases, trade payables, other creditors and deposits and accruals totalling £97.695m (2021: £98.647m).

CONSOLIDATED RECONCILIATION OF NET DEBT	
	2022
	£'000
Net Debt 1 August 2021	51,774
Movement in cash and cash equivalents	(27,587)
Unsecured loan repayments	(1,131)
Finance lease repayments	(1,148)
Net debt 31 July 2022	21,908
Change in net debt	29,866

ANALYSIS OF NET DEBT:	2022	2021
	£'000	£'000
Cash and cash equivalents	61,488	33,901
Borrowings: amounts falling due within one year		
Unsecured loan	1,136	1,130
Obligations under finance leases	1,038	1,148
	2,174	2,278
Borrowings: amounts falling due after more than one year		
Unsecured loan	17,121	18,255
Obligations under finance leases	64,101	65,142
	81,222	83,397
Net debt	21,908	51,774

16. PENSION ASSET AND PROVISIONS					
	SPF ASSET/ (LIABILITY)	TOTAL ASSET /(LIABILITY)	ENHANCED PENSIONS	USS DEFICIT	TOTAL PROVISION
	£'000	£'000	£'000	£'000	£'000
As at 1 August 2021	(47,491)	(47,491)	(6,139)	(303)	(6,442)
Utilised in year	87,530	87,530	1,497	14	1,511
Additions in year	(13,095)	(13,095)	(95)	(189)	(284)
AS AT 31 JULY 2022	26,944	26,944	(4,737)	(478)	(5,215)

Enhanced Pensions

This is a provision for former University employees who were granted enhanced early retirements prior to 31 July 2022. These enhanced benefits are provided through the Scottish Teachers' Pension Scheme. Although this scheme is unfunded, the obligation to settle the enhanced portion of any scheme deficit rests with the University.

USS deficit

The obligation to fund the past deficit on the University's Superannuation Scheme (USS) arises from the Contractual obligation with the pension scheme for total payments relating to benefits arising from past performance.

The University participates in three multi-employer defined benefits schemes:

- Scottish Teachers Pension Scheme (STPS)
- Strathclyde Pension Fund (SPF)
- Universities Superannuation Scheme (USS)

16. TOTAL PENSION COSTS	2022	2021
The total pension cost to the University under these schemes was:		
	£'000	£'000
SPF current and past service cost	12,273	10,817
STPS contributions paid	5,238	5,813
USS contributions paid	307	131
	17,818	16,761

Scottish Teachers Pension Scheme

The Scottish Teachers Pension Scheme (STPS) provides benefits for Scottish teachers based on Career Average Revalued Earnings (CARE) basis using earnings in each year and revaluing them to take account of inflation. This scheme replaces the Scottish Teachers' Superannuation Scheme (STSS) closed to new members from 31 March 2015, where benefits are worked out on a final salary basis and members receive a pension based on their reckonable service and final pensionable pay. The fund is administered by the Scottish Public Pensions Agency. The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The employers' contribution rate was 23% in year ended 31 July 2021 and the employee contribution rate ranged between 7.2% and 11.9% based on salary. The latest valuation set the rate payable by employers for the scheme for the period 1 September 2019 to 31 March 2023 and that rate is 23%.

Under this scheme, the University has no liability for other employers' obligations to the multi-employer scheme. As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme. It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme.

The Universities Superannuation Scheme

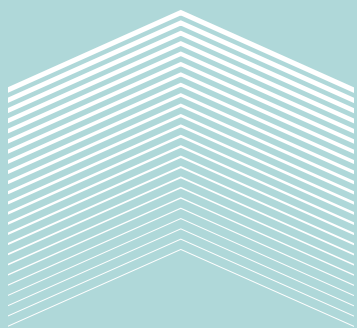
There are also 10 staff in the Universities Superannuation Scheme (USS), which is a defined benefit scheme, contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. The University is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the University's employees. During the year the University contributions were 21.1% until 30 September 2021, 21.4% between 1 October 2021 and 31 March 2022 and 21.6% from 1 April 2022 onwards. Employee contributions were 9.6% until 30 September 2021 and 9.8% from 1 October 2021 onwards.

Strathclyde Pension Fund

The Strathclyde Pension Fund provides benefits on final pensionable salary for employees of local government and some other institutions.

This scheme, a multi-employer defined benefit scheme, covers both past and present employees. A FRS102 valuation of the University's benefit obligations has been estimated by a qualified actuary as at 31 July 2022. The employer contribution rate for the period 1 August 2021 to 31 July 2022 was 19.3% of pay. The employee contribution is dependent upon their actual pay and contribution rates range between 5.5% and 11.2% of pay. There were no outstanding pension contributions at the year end.

FRS 102 liability numbers have been produced for the Strathclyde Pension Fund using the following assumptions:



CATEGORY OF PLAN ASSETS AS A PERCENTAGE OF TOTAL PLAN ASSETS		
FRS 102 liability numbers have been produced for the Strathclyde Pension Fund using the following assumptions:	2022	2021
Equities	60%	66%
Bonds	27%	24%
Property	11%	9%
Cash	2%	1%
INVESTMENT RETURNS		
Actual Returns from 1 July 2021 to 30 June 2022	(2.5%)	19.4%
Total Returns from 1 August 2021 to 31 July 2022	1.0%	22.1%
FINANCIAL ASSUMPTIONS		
Discount rate	3.50%	1.6%
Pensionable salary growth	3.45%	3.55%
Pension increase rate	2.75%	2.85%

There has been a change in approach in allowing for inflation experience at 31 Jul 2022 to make allowance for the exceptionally high inflation over the period since September 2021. The Defined Benefit Obligation at 31 Jul 2022 includes allowance for emerging experience up to July 2022, which has increased the Defined Benefit Obligation at 31 Jul 2022 by £11.6m.

Covid 19

The mortality rate is based on publicly available mortality tables for the specific country. Covid 19 has caused a short-term increase in deaths in the UK but the excess deaths to date have not generally had a material impact on UK pension scheme liabilities. The future impact of Covid 19 on long-term mortality improvements is currently uncertain with potential adverse implications of delayed medical interventions and long Covid along with potential positive implications if the surviving population is less frail or the pandemic causes improved healthcare initiatives and lifestyle changes. Overall, the University believes currently there is insufficient evidence to require an explicit adjustment to the mortality assumption for Covid 19.

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	MALES	FEMALES
Current Pensioners (age 65 at the most recent triennial valuation)	19.6 years	22.4 years
Future Pensioners (age 45 at the most recent triennial valuation)	21 years	24.5 years

16. PENSION PROVISIONS	2022	2021
The following amounts at 31 July 2022 were measured in accordance with the requirements of FRS 102. Year ended 31 July 2022:	£'000	£'000
OPENING ASSETS AND LIABILITIES		
Fair value of plan assets	245,896	206,217
Present value of funded liabilities	(289,677)	(275,482)
Present value of unfunded liabilities	(3,710)	(3,940)
NET LIABILITY AT START OF YEAR	(47,491)	(73,205)
Current service cost	(12,270)	(10,743)
Past service cost	(3)	(28)
TOTAL SERVICE COST	(12,273)	(10,771)
Interest income on plan assets	3,933	2,884
Interest on defined benefit obligation	(4,755)	(3,954)
TOTAL NET INTEREST	(822)	(1,070)
TOTAL DEFINED BENEFIT COST RECOGNISED IN PROFIT/(LOSS)	(13,095)	(11,841)
Cashflow from employer contributions	4,156	3,893
Contributions in respect of unfunded benefits	253	257
Expected closing position	(56,177)	(80,896)
Changes in financial and demographic assumptions	101,890	(16,645)
Other experience	(11,929)	7,446
Return on assets excluding amounts included in net interest	(1,458)	42,604
TOTAL RE-MEASUREMENTS RECOGNISED IN OTHER COMPREHENSIVE INCOME	88,503	33,405
NET ASSET/(LIABILITY) AT END OF YEAR	32,326	(47,491)
*UNRECOGNISED PENSION ASSET RECOGNISED IN OTHER COMPREHENSIVE INCOME	(5,382)	-
PENSION ASSET CAPPED	26,944	(47,491)
COMPRISING:		
Fair value of plan assets	231,610	245,896
Present value of funded liabilities	(201,664)	(289,677)
Present value of unfunded liabilities	(3,002)	(3,710)
NET ASSET/(LIABILITY) AT END OF YEAR	26,944	(47,491)

*The pension asset of £32,326k has been capped at £26,944k as that is the extent to which the asset is deemed recoverable through reduced pension contributions in the future. This has been included within non current assets.

17. RESERVES

Income and expenditure unrestricted reserve

This reserve includes all current and prior year retained surpluses or deficits.

Revaluation reserve

The revaluation reserve consists of unrealised gains in respect of investments and the revaluation of properties at the point of transition to FRS 102 on 1 August 2014. These property valuations were used as deemed cost using the transitional exemption made available. At 31 July 2022 the revaluation reserve in respect of properties was £29,367k (2021: £30,648k) and in respect of investments was £1,533k (2021: £1,943k).

18. CAPITAL COMMITMENTS

A provision has not been made for the following capital commitments as at 31 July:

	2022	2021
	£'000	£'000
Commitments contracted for	1,627	330
	1,627	330

19. OPERATING LEASE COMMITMENTS

2022

2021

At 31 July 2022 the total future minimum payments on operating leases were as follows:

	£000	£000
Due within 1 year	1,757	1,023
Due between 1 and 2 years	1,705	1,153
Due between 2 and 5 years	5,373	1,893
Due over 5 years	7,613	3,077
	16,448	7,146

21. CHILDCARE, DISCRETIONARY AND NURSING AND MIDWIFERY FUNDS

	2022				2021			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	CF	DF	Covid DF	NMF	CF	DF	Covid DF	NMF
Funds Brought Forward from previous year	-	-	-	4	-	54	-	1
Funds Received in Year	864	826	1,665	280	860	850	2,155	139
Expenditure	(520)	(1,697)	(1,138)	(280)	(485)	(1,279)	(2,155)	(135)
Virements	(344)	871	(527)	-	(375)	375	-	-
Repaid as clawback	-	-	-	(4)	-	-	-	(1)
Funds Carried Forward at 31 July 2021	-	-	-	-	-	-	-	4
Repayable as clawback	-	-	-	-	-	-	-	(4)

The Childcare (CF) and Discretionary Funds (DF) are available solely for students and are provided by the Students Award Agency Scotland. The Nursing and Midwifery Fund (NMF) is provided by the Scottish Government specifically for the support of nursing and midwifery students. The University acts only as paying agents. The grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

22. POST BALANCE SHEET EVENTS

Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bonds yields, which are key to the FRS102 assessment of the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS102 discount rate, have increased significantly since 31 July 2022, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore while both gross defined benefit obligations and assets will have fallen, it is difficult to estimate the impact of these changes on the net balance sheet position.

Statement of Principal Accounting Policies

1. Basis of Preparation

The principal accounting policies of the University are as set out below. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

These financial statements have been prepared in accordance with 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), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Accounts Direction issued by the Scottish Funding Council and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019).

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS102. The presentation currency is pounds sterling and the financial statements are rounded to the nearest £000. The University is a registered charity in Scotland, and its registered number is SCO02520.

2. Basis of consolidation

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

3. Going Concern Policy

The University's activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report. The Strategic Report

also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

The financial statements have been prepared on a going concern basis which the University Court consider to be appropriate for the following reasons.

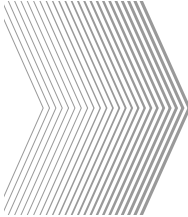
The year end cash reserves remain high at £61.5m and a cash flow forecast was prepared based on budgetary commitments. To give additional assurance, sensitivity analysis was then applied to this forecast.

A 'worst case' downside scenario with a 5% reduction in budgeted total tuition fee income and a 10% reduction in research income has been considered. This scenario also included an additional 2% increase in budgeted staff costs to protect against high inflation.

This scenario illustrated that the University will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

Further to these scenarios, a stress test on income was undertaken, to establish the level of lost income that would need to be incurred to impact the University's status as a going concern. This stress test forecast a loss of £10.27m of income would require to be experienced to breach loan covenants. This is not an anticipated outcome therefore the business is considered a going concern.

There are no material post balance sheet changes to liquidity, specifically the arrangement of new lending facilities, the extension of existing facilities or the renegotiation or waiving of bank covenants. If required, Court could implement cost control measures or postpone planned capital projects but there is no present intention to do so.



The University has a loan facility of up to £26.5 million, £24.5 million of which has been drawn down. Loan covenants currently in place are as follows:

- Net assets excluding the pension provision shall be not less than £80 million.
- The ratio of operating cash surplus to debt service costs for each relevant period shall not be less than 1.25:1 for the relevant period.
- The ratio of operating cash surplus to net interest payable for each relevant period shall not be less than 2.0:1.

We do not anticipate any breaches of these covenants over the next 12 months. Consequently, the University Court is confident that the University will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

4. Income recognition

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

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.

Investment income is credited to the Statement of Comprehensive Income on a receivable basis.

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

Grant Funding

Government revenue grants including funding council block grant and research grants are recognised in income over the periods in which the University 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.

Grants (including research grants) from non-government sources, are recognised within the Statement of Comprehensive Income when the University 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 Statement of Financial Position and released to the Statement of Comprehensive Income in line with such conditions being met.

Capital grants

Government Capital grants are recognised in income over the useful life of the asset. Other non-government capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

Donations

Non exchange transactions without performance related conditions are donations. Donations with donor imposed restrictions are recognised within the Statement of Comprehensive Income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recorded within the Statement of Comprehensive Income when the University is entitled to the income.

Investment income is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms other restriction applied to the individual fund.

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts.

5. Accounting for retirement benefits

The Scottish Teachers Pensions Scheme (STPS), the Strathclyde Pension Fund (SPF) and the Universities Superannuation Scheme (USS) provide retirement benefits for the employees of the University.

For accounting treatment purposes, STSS and USS are treated as defined contribution schemes. The SPF is treated as a defined benefit scheme. The actuary provides a valuation of the institution's share of the underlying assets and liabilities which has been reflected in these financial statements in accordance with FRS 102.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions in defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The University recognises a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets.

The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. The contributions paid by the employer are set by the Fund Actuary at each triennial actuarial valuation, the most recent being as at 31 March 2020.

6. Employment benefits

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

7. Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

8. Operating leases

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

9. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

10. Borrowing costs

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

11. Fixed assets

Fixed assets are stated at cost or deemed cost less accumulated depreciation and accumulated impairment losses.

Costs incurred in relation to land and buildings after initial purchase or construction are capitalised to the extent that they increase the expected future benefits to the University.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives. Leasehold buildings are depreciated over the length of the lease.

Depreciation is not charged on assets in the course of construction.

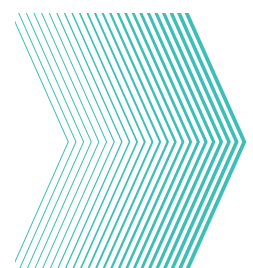
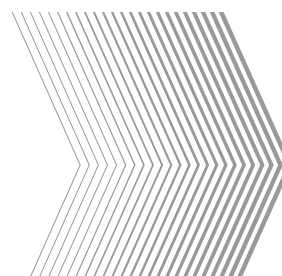
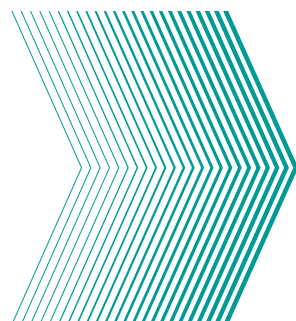
Equipment

Equipment, including computers and software, costing less than £5,000 per individual item is written off in the year of acquisition. All other equipment is capitalised. Capitalised equipment is stated at cost and depreciated over its expected useful life.

Depreciation

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

Asset Type	Expected Useful Life
Academic Property (dependent upon FRS 102 revaluation)	15-60
Residences	50
Leasehold improvements	10
Equipment Short life	4
Medium life	10
Long life	20
Fixtures	10
Computer Short life	4
Long life	8
Cars	4
Vans and buses	8
Other	15





12. Heritage assets

Works of art and other valuable artefacts valued at over £5,000 have been capitalised and recognised at their fair value where reasonably obtainable. Assets received as donations are initially recognised at fair value. Heritage Assets are not depreciated as their long economic life and high residual value means that any depreciation would not be material.

13. Investments

Non-current asset investments are held at market value with movements recognised in the Statement of Comprehensive Income.

14. Stock

Stock is held at the lower of cost and net realisable value.

15. Debtors

Short term debtors are measured at transaction price, less any impairment.

16. Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

17. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.



18. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

(a) the University has a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of economic benefits will be required to settle the obligation; and (c) 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 University a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. 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 University 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 University. Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

19. Taxation

UWS is an exempt charity within the meaning of the Charities and Trustee Investment (Scotland) Act 2005 and, as such, is a charity within the meaning of Section 506 (1) of the Income and Corporation Taxes Act 1988. The University is recognised as a charity by HM Revenue & Customs and is recorded on the index of charities maintained by the Office of Scottish Charity Regulator. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect

of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

20. Financial instruments

Financial instruments are recognised in the Statement of Financial Position when the University becomes party to the contractual provisions of the instrument. All of the University's financial instruments are classified as 'basic' in accordance with Chapter 11 of FRS 102. All of the University's financial instruments are initially measured at transaction price. At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest rate method.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the University has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry

21. Judgements in applying policies and key sources of estimation uncertainty

In preparing the financial statements, the Court is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The Court are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

- Pension obligations: Independent professional valuation carried out annually to estimate the Universities liabilities in relation to the Strathclyde Pension Fund and any liabilities relating to Enhanced Pension Provisions. Underlying assumptions used in these valuations are reviewed to ensure they are reasonable. The pension increase assumption is set in line with our default Consumer Prices Index (CPI) assumption. As a market in CPI linked bonds does not exist, we need to estimate the long-term gap between RPI and CPI to derive a CPI assumption for accounting purposes. Our estimate is based on analysis of past and emerging future trends in the gap between these indices and incorporates the assumption that RPI will be replaced by CPHI in 2030. When setting a CPI assumption, we also take account of the Bank of England's long-term rate of CPI inflation of 2% p.a. Based on the above approach, our proposed default assumed RPI-CPI gap is 0.4% p.a. for 31 July 2022 (2021 0.45% was used). This gap includes an assumed Inflation Risk Premium of 0.2% being applied to RPI Based on the sensitivity information provided by the actuary (2021 0.15% was used). The mortality rate is based on publicly available mortality tables for the specific country. COVID-19 has caused a short-term increase in deaths in the UK but the excess deaths to date have not generally had a material impact on UK pension scheme liabilities. The future impact of COVID-19 on long term mortality improvements is currently uncertain with potential adverse implications of delayed medical interventions and "long COVID" along with potential positive implications if the surviving population is less "frail" or the pandemic causes improved healthcare initiatives and lifestyle changes. Overall, the University believes there is insufficient evidence to require an explicit adjustment to the mortality assumption for COVID-19 at this time.
- Accruals, prepayments, accrued income and deferred income: based on the proportion of invoices, contracts and funding receipts for each income and expenditure stream that relate to the year end.

Professional Advisors

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