

UNIVERSITY OF THE
WEST of SCOTLAND
UWS

UWS **Financial** **Statements**

for the year ended 31st July 2021



A Year of Achievement

See more of our highlights over 2020-21 on page 9

Recognised in the top 600 universities worldwide

(Times Higher Education World University Rankings 2021)



Recognised in the top 130 universities under 50 years of age

(Times Higher Education Young University Rankings 2021)



Ranked in the top 200

in the world for impact on the UN Sustainable Development Goals

(Times Higher Education Impact Rankings 2021)

#1 in Scotland

& 33rd most impactful university globally for reducing inequalities

UN Sustainable Development Goal 10 (Times Higher Education Impact Rankings 2021)

21% increase in tuition fees income and education contracts, and a 2.5% increase in funding body grants



Total income grew by £6.5m (5%) to £128.5m

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UWS achieved its first Advance HE Collaborative Award for Teaching Excellence

for the ground-breaking 'Class in a Bag' programme. Created by UWS in collaboration with Alzheimer Scotland, the initiative has already helped thousands of schoolchildren across Scotland become more dementia aware



Shortlisted in The Guardian University Awards' Sustainability category

in recognition of innovative measures and projects across UWS campuses that resulted in UWS reducing carbon emissions by 42% - more than double the original goal of 20% by 2020. UWS was also shortlisted in the Green Gown Awards in the Sustainability Institution of the Year category



UWS reduced carbon emissions by **-42%**



Summer 2020 new Docklands London Campus opened

The next-generation campus features light and airy teaching and learning spaces and technology-rich, flexible breakout and study spaces that encourage student collaboration

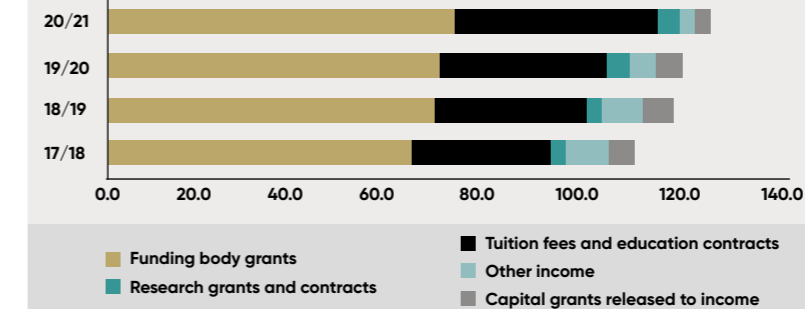


UWS academic Khadija Mohammed named one of TES Scotland's top 10 people of 2020,

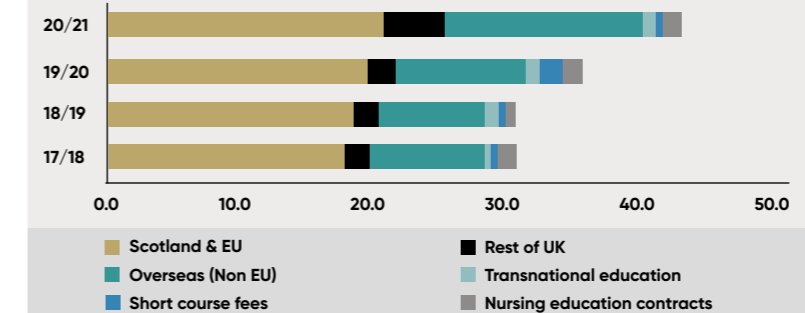
in recognition of her leadership and work in tackling racism in Scottish education

Significant improvements in performance include:

Total Income



Tuition fees & education contracts



22,100 students

133 nationalities across our five campuses

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

1,385 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

90%

10-YEAR BID SUCCESS RATE

* DATA AS OF JUNE 2021

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)

UWS KTP Associate Dr Jakub Rycerz named 'Innovator of the Future'

at the Scottish Knowledge Exchange Awards for his partnership with Phoenix Instinct on the design and manufacturing of a smart, light-weight carbon fibre wheelchair. The revolutionary wheelchair design concept won the Toyota Mobility Foundation's global 'Mobility Unlimited Challenge' 2020 with a \$1m prize for further development





UNIVERSITY OF THE
WEST of SCOTLAND
UWS

Introduction from the Principal and Vice-Chancellor



Professor Craig Mahoney
Principal and Vice-Chancellor

Welcome to the 2020-21 Financial Statements and thank you for taking an interest in the University of the West of Scotland (UWS).

I am exceptionally proud of our University. 2020-21 has been a year of almost unimaginable challenge – and we have individually and collectively responded with ingenuity, with vigour, and with unrelenting positivity.

Institutions are defined by how they handle adversity – and the UWS community has demonstrated resilience and the ability to deliver transformative learning, research and influence societal change.

Covid-19 has fundamentally changed the global context for higher education – and it is critical that UWS continues to innovate to meet the new learning and research requirements, and develops a business-model, which recognises the lessons learned from 2020.

Over the past year, we have accelerated our Strategy 2025 ambition to deliver hybrid learning opportunities. The impact of the pandemic forced us to challenge and overcome with rapidity practical and pedagogical issues which could otherwise have taken us years. Colleagues across the University have delivered engaging, participative learning and adopted new approaches and tools. From working-from-home work placements to practical lab experiments delivered virtually, to collaborative Christmas cabaret productions, and insightful student-led conferences to share practice and provide peer support. The UWS community has lived up to our principle truth: we are here for our students.

I was pleased to fund two new initiatives this year: the Vice Chancellor's Innovation Fund and the

Student Community Building Fund. Through the Vice Chancellor's Innovation Fund, we were able to provide £200,000 of support and resources to 12 projects to enable rapid development of exciting learning and teaching opportunities. This included colleagues exploring the gamification of cyber security, pilot peer review, and trial the use of VLEs to build social environments for remote study.

The Student Community Building Fund distributed almost £200,000 to projects led by academics, professional services and our Students' Union in January 2021 to ensure our students continued to have a fully-rounded student experience, beyond just learning in the largely-digital classrooms. We know how important interaction between peers is for student success; and inventive opportunities for remote team working in challenges and competitions, support for clubs and societies to deliver events online, and online festivals, have all played their part.

Through this time, UWS has continued to play a significant role in delivering impactful research and working in partnership with business and industry to make change. UWS successfully secured a series of covid research grants to investigate the impact which covid-19 has on families of care home residents and the use of technology in remote support. Working with global partners, UWS secured two largescale European grants from the prestigious Horizon 2020 fund to drive forward research into 5G and artificial intelligence, and the benefits of automation and data exchange, showing our growing international research strength.

Translating our research into action with industrial partners, through our Knowledge Transfer Partnerships, has continued to be a big focus for UWS; the necessity for research, development and innovation to revive the UK economy post covid is indisputable, and UWS will be a leader in our communities. In 2020-21, we have worked with partners to develop microbial disinfection and decontamination technology, safeguarding for collaborative platforms within the education sector, developing sustainable business models within the gas services industry, and remote health monitoring for vulnerable children and young people. Our award-winning partnerships with local and global businesses are critical to our goals to shape our communities and the society we serve.

The University community's resilience has enabled strong institutional and financial performance;

exceeding the prudent expectations we set for ourselves as we entered 2020. This has set us up to invest and reward excellence in 2021-22.

My sincere hope for 2021-22 is that UWS will have the opportunity to come back together physically as a family; remote working, teaching and research has demonstrated what we can achieve and will continue to be an important part of our new norms, but with the lessening of government restrictions we will be able to interact, inspire and collaborate in-person on our campuses once more.

In doing so, we will look to embed the learnings from 2020-21. We will roll out our new social learning partner, Aula, providing not just a digital platform for engagement fit for the 21st century learning experience we provide, but a partner to help us continue the drive for excellence in our hybrid learning and student engagement. We will reflect on our working practices and patterns and look to embed the positives from flexible remote working, while re-establishing active communities on-campus.

The significant reduction in travel and lesser use of our physical resources has had a positive impact on our carbon footprint as an organisation this year and, as we return to embed a post-covid learning, teaching and research approach, we must seize this opportunity to continue with big steps towards our net zero emissions by 2040 commitment.

A return to open campuses does not mean a return to our previous practices. Strategy 2025 set out brave new ambitions for our excellent learning and teaching, distinctive research and innovation and the shaping of our communities and society; 2020-21 accelerated some of these actions and we intend to continue this rapid pace of change and to build on the outstanding excellence demonstrated by colleagues across the University in this academic year.

Craig Mahoney
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



We are here for our students

Highlights of 2020-21

- Officially recognised by Times Higher Education as being in the top 600 universities worldwide and in the top 130 universities under 50 years of age (Times Higher Education World University Ranking 2021)
- Top young university in Scotland and joint 6th in the UK (Times Higher Education Young University Rankings 2020)
- Ranked in the top 200 in the world for impact on the UN Sustainable Development Goals (Times Higher Education Impact Rankings 2021)
- The most impactful university in Scotland for 'reducing inequalities' (UN Sustainable Development Goal 10), and 33rd most impactful university in the world (Times Higher Education Impact Rankings 2021)
- A mobile phone app, Stay Safe Scotland, produced by UWS researchers to tackle the disproportionate number of ethnic minority covid-19 deaths was launched in partnership with Scottish Government, Comic Relief and the Council of Ethnic Minority Voluntary Sector Organisations (CEMVO) Scotland
- Achieved its first Advance HE Collaborative Award for Teaching Excellence for the ground-breaking 'Class in a Bag' programme. Created by UWS in collaboration with Alzheimer Scotland, the initiative has already helped thousands of schoolchildren across Scotland become more dementia aware
- Shortlisted in The Guardian University Awards' Sustainability category in recognition of innovative measures and projects across UWS campuses that resulted in UWS reducing carbon emissions by 42% - more than double the original goal of 20% by 2020. UWS was also shortlisted in the Green Gown Awards in the Sustainability Institution of the Year category
- UWS academic Khadija Mohammed named one of TES Scotland's top 10 people of 2020, in recognition of her leadership and work in tackling racism in Scottish education
- UWS has had a campus in London since 2017 and in summer 2020 opened its brand-new London Campus, following a move to London Docklands. The next-generation campus features spacious and modern teaching and learning spaces and technology-rich, flexible breakout and study spaces that encourage student collaboration
- The University's longstanding experience with elite sports organisations saw UWS become Celtic's first Youth Academy sports science partner in 2020, providing UWS research students the chance to support elite youth football development
- UWS KTP Associate Dr Jakub Rycerz named 'Innovator of the Future' at the Scottish Knowledge Exchange Awards for his partnership with Phoenix Instinct on the design and manufacturing of a smart, light-weight carbon fibre wheelchair

SCOPE & SCALE

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

22,100 students (headcount)

7,900 in Paisley

4,800 in Lanarkshire

2,600 in Ayr

1,700 in London

400 in Dumfries

- 4,700 studying remotely or with international partners

- 133 nationalities represented across our five campuses

1,385 staff (headcount)



Performance

	RAG Status	
	Trend	Target
Passionate about Education		
NSS - overall satisfaction	Green	Green
Module evaluation	White	Orange
Student entry qualifications (tariff points)	Red	Red
Retention	Green	Green
Innovative		
CPD	Red	Orange
Knowledge Transfer Partnerships	Green	Orange
Tackling world issues		
THE Impact Rankings	Green	Green
We value our people		
SSR	Orange	Green
Growing investment		
Surplus	Green	Green
Unregulated income (%)	Green	Green
Staff costs	Green	Green
Research award value	Red	Red
Shaping societies		
SIMD20	Green	Green
Key worker graduates	Green	Green
PGT cohort	Green	Green
PGR cohort	Orange	Green
Global		
International students	Green	Green
Citation score in THE World University Rankings	Orange	Orange
International academic staff	Green	Green



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.

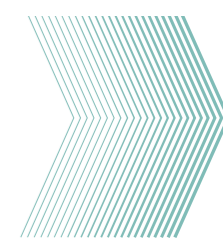
Areas of success

The key success indicators to 2021 are:

- Student satisfaction:** in National Student Survey (NSS) 2020, 85.1% of respondents were satisfied with their student experience. This was an improvement from 2019 (an increase of 0.9%) and exceeded the interim post-covid milestone of 84%. During 2020, the Deputy Vice Chancellor led a series of programme-level engagements to celebrate success and challenge underperformance, and led the second annual Student Experience Conference. There will be a continued focus on student satisfaction in 2021-22 through the Student Experience Programme, recognising the need for continued focus to ensure we are here for our students.
- Student retention:** student retention will remain a critical focus for UWS, building on initial success in 2020-21 where student retention is forecast to improve from 83% to 87%. Following the pivot to hybrid learning, a revised approach to monitoring student engagement and a proactive approach

to contacting students identified at risk of non-continuation was introduced, and will be adapted and expanded in 2021-22.

- Sustainability:** the University entered the Times Higher Education Impact Rankings in 2021, and secured a global top 200 ranking, marking UWS out as a global-player in sustainable development. This is in-line with the milestones for 2022 to rank within the top 150 institutions. The University ranked highly in regard to two UN Sustainable Development Goals: 33rd in the world for SDG10 Reducing Inequalities and 65th in the world for SDG8 Decent Work and Economic Growth. During 2021-22, the University will embark on an ambitious project to roll-out action on sustainability; with activity being driven across carbon reduction, economic and financial sustainability through continued sustainable income growth, and corporate and social responsibility. The project will focus on both institutional and personal actions across the staff and student body, to deliver change within society and our communities.
- Financial growth and investment:** UWS demonstrated remarkable financial resilience in 2020-21 to deliver an above-budget surplus at year-end (7% excluding SPF pension charge to the statement of comprehensive income) driven by effective cost-management and continued success in international recruitment. This exceeds the 2020-21 target (0%) and exceeds the 2025 target of a 5% surplus. The surplus generation enables significant investment in the physical and digital infrastructure and academic staffing in 2021-22.
- Global and unregulated recruitment:** covid-19 had a demonstrable impact on international recruitment in 2020-21. While UWS continued to grow the international student population at UK campuses, growing unregulated international tuition fee income to £13.4m, without the impact of covid-19, this commendable growth would have been even higher. This gives confidence in the trajectory towards the 2025 target.



Areas for progress

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

- **Student module satisfaction:** The University routinely sought student feedback in-year and there was an increased focus on responding to student needs, including through more regular surveys on individual topics (e.g. remote learning, induction). In the term 1 module evaluation surveys, students across UG and PGT taught cohorts reported an overall satisfaction of 78%. While it should be acknowledged that the response rate (c.30%) was low, schools followed up in areas of low satisfaction to determine actions required. This should support improved responses in term 2 module evaluations and the student experience programme will review how student feedback is used to enhance the student experience.
- **Research grants awarded 2020-21:** Despite securing two significant European funded grants, the overall research awards secured by UWS in 2020-21 reached £8.1m at year-end and remained below the milestone of £11m. These research awards will flow through to income over the life of the research projects. Following the successful completion of the UWS Research Excellence Framework (REF) 2021 submission, a renewed focus will be on securing strategic, large-scale research awards.
- **Student: staff ratios:** At year-end, the UWS student: staff ratio was 22:1, just meeting the milestone of 22:1 and a marginal improvement on the 2020 benchmark of 22.4:1. During 2021, UWS developed a mechanism to ensure that success in student recruitment led directly to recruitment of academic staff to protect and improve the student: staff ratio and this will have a positive impact on the student: staff ratio in 2021-22.
- **Student entry qualifications:** UWS has a strategic aim to increase the qualifications held by students on entry, recognising the strong link between applicants' qualifications and students' retention and success. Measuring in 'tariff points', the average

student entered UWS with 128 tariff points in 2020 (equivalent to AAAB at higher, ABB at A-level), below the milestone of 136 and the previous year actual of 136 (equivalent to AAAA at higher, AAB at A-level). From 2021, a revised approach to pre-entry academic support will provide incoming students with greater, more structured academic skills development and transition support, to enhance student success. This will be managed to ensure UWS continues to be the sector leader in widening participation - and increasing entry qualifications whilst continuing to widen participation are not mutually exclusive objectives.

- **Continuing professional development:** Following exceptional growth in 2019-20, the annual income from CPD was £371k for 2020-21 and a reduction from the 2019-20 high of £1,567k. This was significantly affected by covid-19 and reduced income due to international travel restrictions, limiting the ability to deliver CPD with the Chinese State Administration of Foreign Experts Affairs (SAFEA). The lessening of government restrictions in 2021 will enable a significant return to pre-covid CPD activity.

Priorities 2021-22

To continue to deliver towards the Strategy 2025 targets, UWS will focus on a suite of strategic priorities and aligned investments. From 2021, these will be informed by the three UWS thematic plans:

- Excellent learning and teaching,
- Distinctive research and innovation,
- Shaping our communities and society



Strategic Priorities

A focused approach will enable the University to overcome the significant challenges faced in the external and funding environment and to remain true to the university's purpose, themes and values.

- **Student Experience Programme:** the three-year 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. The six-workstream project, led by the Deputy Vice Chancellor, will overhaul the UWS curriculum, the learning environment, learner analytics and performance, and the student journey.
- **Post-REF research planning:** In 2021, UWS completed the submission of the 2021 REF cycle, submitting 279 staff and more than 690 research outputs alongside 28 impact case studies, more than doubling the submission from 2014. Following the completion of this momentous task, the long-term focus for research development at UWS will turn to the review of UWS research centres, the changing support required to deliver large-grant applications to success, and development of strong academic research teams across the University.
- **Aligned development of the UWS digital environment:** Following the selection of Aula as the UWS social learning partner, Aula will give significant support in the transformation of UWS modules and programmes for hybrid delivery. Through the Student Experience Programme, a thorough review of student-facing systems will be conducted in 2021 to ensure the digital support for the student experience is fit-for-purpose. Alongside the development of UWS' online learning platform, there will be pedagogically-driven renewal of UWS learning spaces, uniting first-class physical space design and technology to deliver an excellent technologically-enhanced learning experience on- and off-campus.

- **Organisational structures and career development:** At the launch of the Strategy 2025, the University had identified the need for a new development programme, which would enable culture change by setting clear expectations on roles and responsibilities to enable improved delivery. The onset of covid-19 delayed the implementation of this and highlighted new challenges for staff and managers, particularly the need to shift to remote working, the enhanced reliance on technology, and increased need to focus on staff wellbeing and mental health. This development project was subsequently initiated in spring 2021 and will run through to 2022, looking at the role of academic managers, setting a competence framework for behaviours and performance standards, reviewing academic promotions and the opportunities for academic career development. This project is focused on supporting UWS staff to enable successful delivery of the wider University strategy.



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 2020-21, institutional risk was heavily influenced by external events and this document identifies some of the actions that will be taken during 2021-22 to help mitigate these risks.

Government support and funding

The University of the West of Scotland receives 60% of its annual income from the Scottish Funding Council and over 75% directly or indirectly from the Scottish government. During the tumultuous period of covid-19, this has provided a degree of reassurance for continuing institutional financial stability, but this places UWS at particular vulnerability to changes in government funding and priorities.

The Scottish Funding Council and Scottish government released additional in-year funding in response to covid-19 during 2020-21 and UWS benefited from almost £6m in funds to support student welfare, digital poverty, research protection, and to sustain jobs (£1m has been recognised within funding council grants within

other comprehensive income, £2.2m of this was discretionary funding and is included in the analysis in note 21, the remaining circa £2.8m has been carried forward into 2021/22.). While this responsive funding award was welcome, the short-term nature of the funding (awarded in-year for in-year expenditure) has also established a precedent for future funding, where funding for long-term commitments is not guaranteed. There are a number of funding streams for 2021-22, including the financial support for graduate apprenticeships, which are guaranteed for one-year only. This uncertainty in government funding creates an incentive for conservative thinking and limits the ability to take important, mid-to-long term strategic planning and investment decisions.

This underlines the continued importance, outlined in Strategy 2025 and measured through the performance framework, for UWS to reduce the reliance on government funding by driving unregulated income growth, with particular focus on postgraduate and international student recruitment, innovation activities such as continuing professional development, and greater commercial income yield from our fixed assets.

During 2020, the Scottish Funding Council launched a Review of Coherent and Sustainable provision; a far-reaching and ambitious review of the purpose and approach to funding and support for further and higher education in Scotland. The review has progressed rapidly during 2020-21 with a phase 3 report published in June 2021 for Scottish government consideration. The review presents opportunity and risk and UWS will continue to be a vocal contributor to the shaping of the Scottish FE/HE environment; strongly advocating the development of a dynamic funding model, which (a) recognises the true cost of delivery, (b) prioritises providing opportunities for access to transformative education, and (c) incentivises effective collaboration across learner providers and businesses. UWS will argue for a stable, transparent system of public funding and accountability that enables Scotland's autonomous universities to achieve their strategic aims.

Covid-19 and the continuing global impact of the pandemic

Covid-19 will continue to be a significant factor in the context for UWS strategic planning and investments. While 2021 has seen the implementation of a global vaccination programme and there has been welcome reopening of many elements of global society, the long-term impacts of covid-19 will continue to be felt across a number of fields.

UWS was ranked highly in the Times Higher Impact Rankings 2021 for 'reducing inequalities' and a significant element of this was in recognition of the learning opportunities UWS provides to students from developing countries. The disproportionate impact of covid-19 in developing countries and in disadvantaged communities means UWS' offer of educational opportunities has never been more important to support the recovery of these communities both in the UK and around the world.

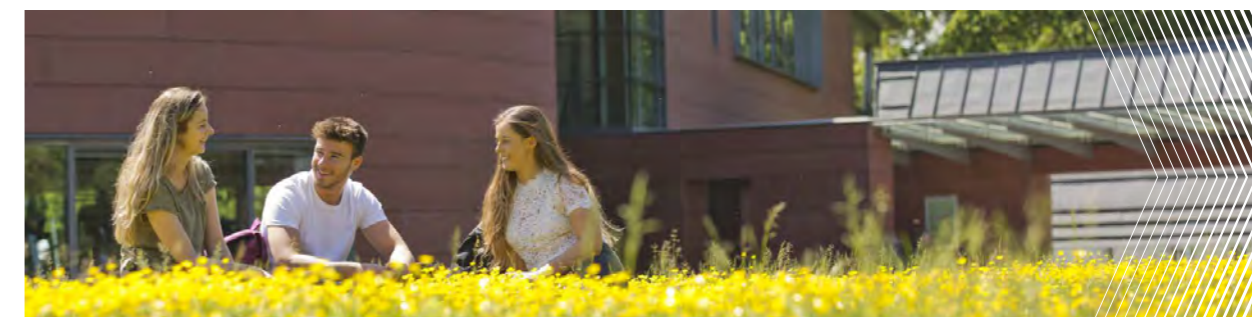
The global economic impacts of covid-19 have, also, not been truly felt given the significant levels of government support during the heights of the global pandemic. The importance of research and development and knowledge exchange will be critical to the economic recovery and UWS' strength in partnerships with business and industry provides great opportunity for growth. During 2021-22, it will be critical that national governments continue to incentivise and provide financial support for university-business collaboration and that businesses are supported to engage with research and development during economic downturns to innovate into growth.

International resilience and a changing market

Despite the significant challenges faced by limitations to regular travel and the ability to learn, research and collaborate in-person, UWS has shown remarkable resilience in its international outlook and engagement. International recruitment to UWS' UK campuses continued to grow during 2020-21, demonstrating UWS' international reach and compelling learning offer with over 1,700 international students across the Scottish and new London campuses.

From 2021, following the departure of the UK from the European Union, students from across continental Europe have parity with all other international students. The removal of EU students from the ability to access SAAS and SFC-funding to study at Scottish universities will inevitably reduce the European cohorts. UWS is continuing to work with partner universities in Europe to build student exchange routes to ensure our campuses continue to benefit from the diversity European students have provided to our student community.

While international recruitment has continued to be strong, the level of recruitment has not yet met pre-pandemic expectations of growth. The greater development of a hybrid and remote learning experience, facilitated by the appointment of Aula to provide a learner platform and support in the pedagogy of hybrid and online learning, and the strategic development of international teaching partnerships will ensure UWS continues to diversify its international learning and teaching offerings to meet the demands of a changing environment, while maintaining the highest standards of teaching and learning.



Sustainability

UWS is committed to sustainability and social responsibility. The UWS Strategy 2025 commits UWS to reducing our emissions and becoming net zero by 2040 and sets one of the institutional values to be 'tackling world issues'. We want to make a difference where we can and to inspire our students and staff to contribute to a sustainable and socially responsible environment at the University and beyond.

During 2020-21, the Deputy Vice Chancellor led the development of a thematic plan to underpin the UWS Strategy 2025: shaping our communities and society. This broad-reaching plan will engage colleagues from across the University in a series of objectives and actions which are focused on delivering a sustainable UWS and driving sustainability throughout our communities.

In 2020-21, UWS was recognised as one of the top 200 universities in the world for delivering against the UN Sustainable Development Goals, in the Times Higher Education Impact Rankings. This demonstrates global excellence in UWS' efforts to reduce inequalities (UN SDG 10) where UWS was recognised as Scotland's leading university for its impact on reducing inequalities, and 33rd most impactful in the world.

The thematic plan will continue to roll-out during 2021-22 setting clear, measurable steps towards delivering across the whole gamut of sustainability priorities.

In relation to environmental sustainability, 2020-21 saw a very different delivery model for all of UWS' core business; with rapid pivots to hybrid learning, remote working, and significant reductions in travel for staff and students.

The most recent publicly available figures for carbon footprint (for 2019-20) demonstrated a reduction in energy consumption of 33% and a reduction in scope 1 and 2 emissions of over 800,000 kg CO2e year-on-year.

These seismic shifts during Covid-19 significantly changed the UWS consumption of energy and will strongly inform permanent changes for a post-covid world.

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 2021 are summarised below:

	2020/21 £m	2019/20 £m	Movement
Overall Income	128.5	122.0	Up 5.3%
Expenditure	119.4	120.2	Down 0.7%
Underlying operating surplus	9.0	1.8	Up 500.0%
Pension Charge to the Statement of Comprehensive Income	7.4	3.9	Up 89.7%
Other items	1.2	0.2	Up 600%
Surplus (Deficit) for the year	2.8	(1.9)	Up 247.4%
Net Assets	60.9	24.6	Up 147.6%
Cash at bank	33.9	28.6	Up 18.5%

Student (headcount)	22,100	20,582	Up 7.4%
Staff average FTE	1,194	1,181	Up 1.1%

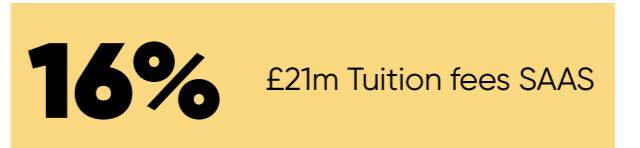
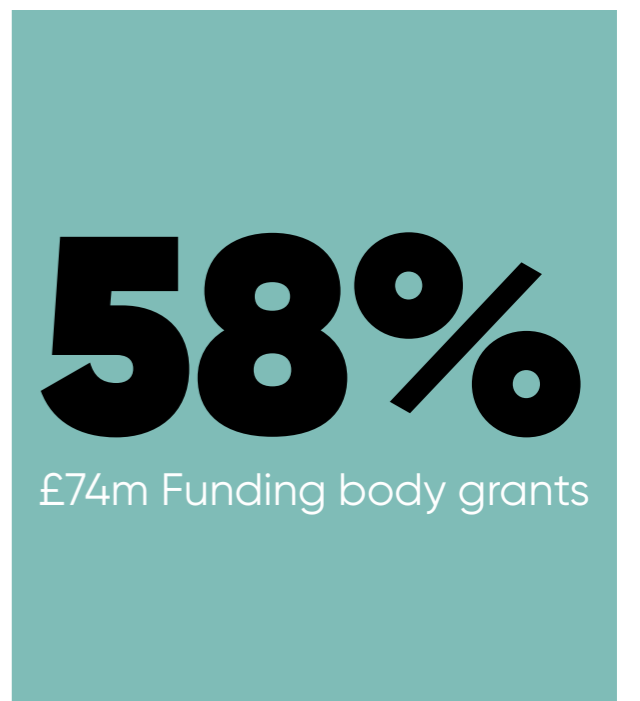


Review for the financial year

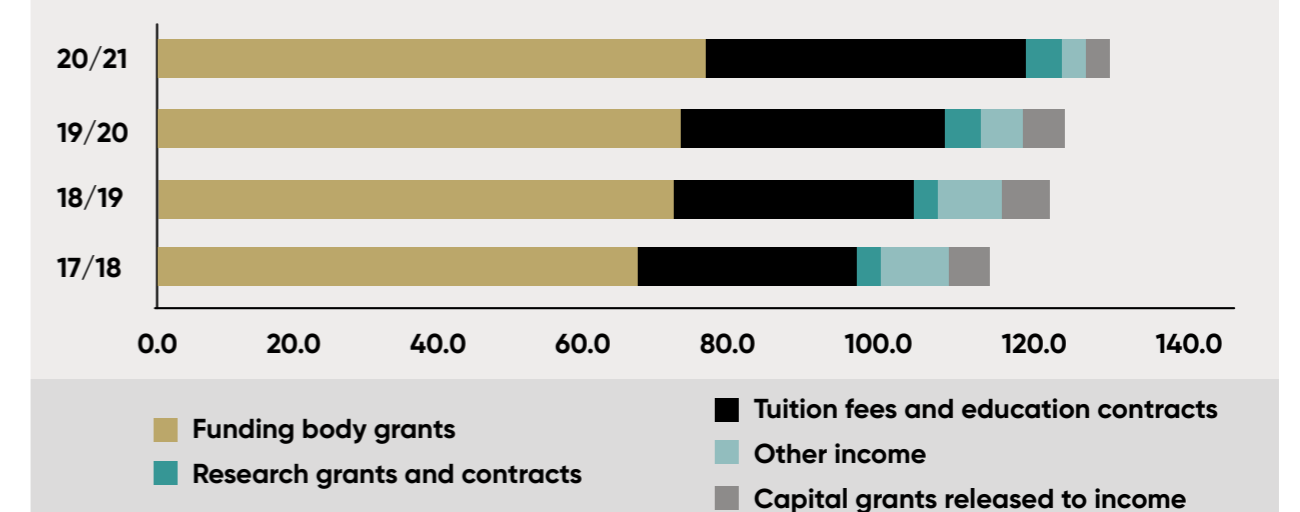
The financial Year 2020–21 has again been an encouraging one for the UWS despite the continuing negative effects of the Covid-19 pandemic. Underlying performance ended the year significantly ahead of planned expectation, which highlights the University's agility in adapting in a challenging environment. Focus on our strategic priorities of delivering excellent learning & teaching, distinctive research & innovation and shaping our communities & society is demonstrated by an increase in 21% in tuition fees and education contracts, and a 2.5% increase in funding body grants. These increases were partly offset by commercial income losses to the pandemic. Total expenditure decreased by 2% to targeted cost management implemented to mitigate the negative impacts of the pandemic.

The surplus for the year before other gains and losses of £1.6m is after non-cash accounting adjustments in relation to FRS 102 pension charge of £7.4m. In addition to this there was a non-cash accounting actuarial gain of £33.4m (2020: £35.3m loss) recognised in the SOCI in respect of the Strathclyde Pension Fund.

Total income grew by £6.5m (5%) to £128.5m (2020: £122.0m). Total income comprises funding council grants, tuition fees and education contracts, research grants, other income, investment income and donations and endowments. Total income represents £107,587 per FTE staff member (2020: £103,302).

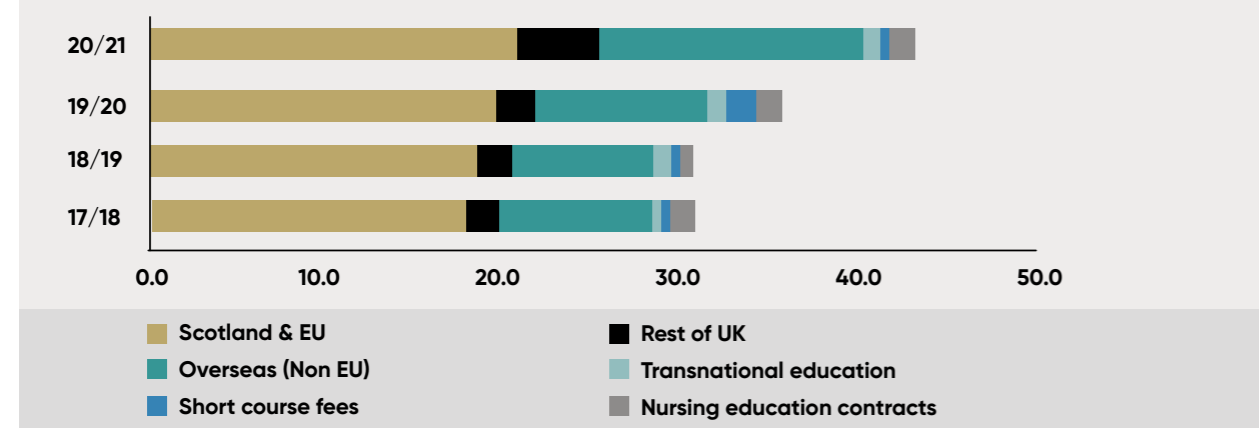


Total Income



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 2020/21 funding council grants of £74m were received which represents 58% of the University's total income. The University also released capital grant income of £2.7m which was utilised for the purchase of capital items as well as to fund ongoing estates maintenance works.

Tuition fees & education contracts



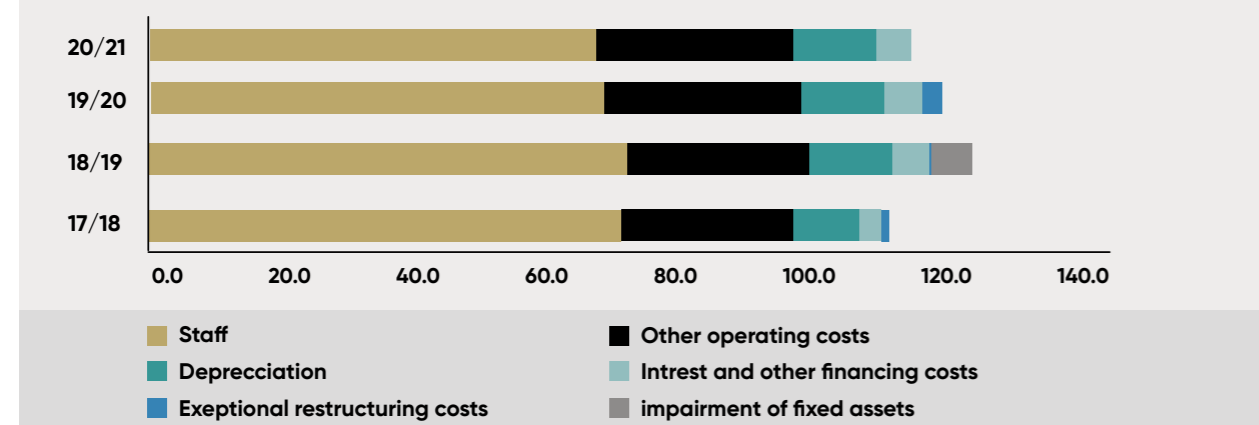
Total tuition fee and education contract income increased by 21% from £35.5m in 2020 to £43.1m for year to 31 July 2021. This reflects the growth delivered in overseas student markets and at the new London campus.

Scotland & EU student fee income increased by £2.8m (15%) reflecting an improvement in retention of students. Transnational Education (TNE) remained healthy, up 38% to £1.5m (2020: £1.1m), whilst our income from students from the rest of the UK (RUK) increased by 79% to £4.3m due to recruitment at the London campus.

Income increased from non-EU tuition fees, up £3.8m (40%) from £9.7m in 2020 to £13.4m. Income received from Nursing Education Contracts increased 8% from £1.3m in 2020 to £1.4m.

The level of research grant and contract income increased in 2021, by 9% from £4.4m to £4.8m. The continued strong performance of Knowledge Transfer Partnerships and the increase level of activity on other research projects, despite the impact of covid-19 on delivery, has generated this uplift in income.

Total expenditure



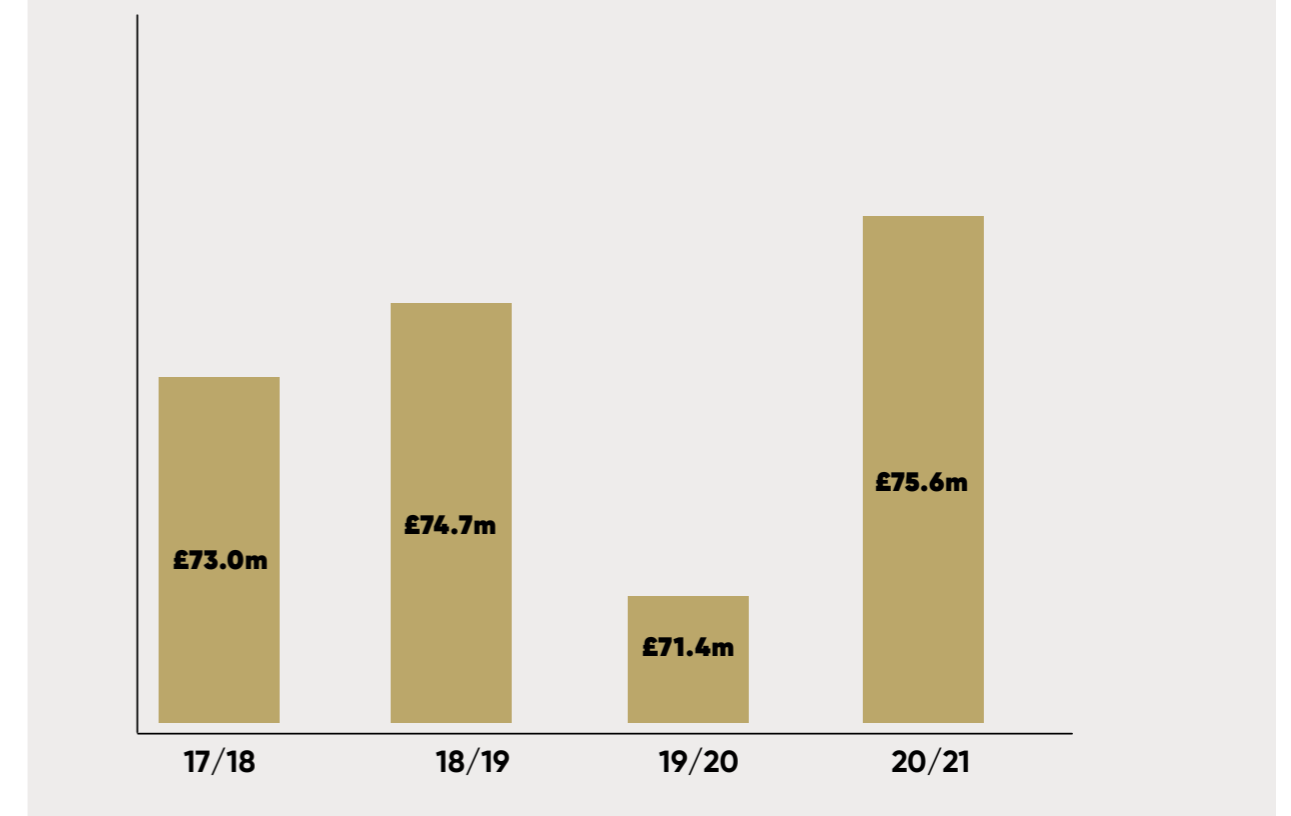
Overall University expenditure has increased by £2.7m (2%) to £126.8m (2020: £124.1m). Expenditure comprises staff costs, interest and financing costs, other operating expenses and depreciation of fixed assets.

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 58.8% of Income (2020: 58.5%).

Staff costs for the financial year were £75.6m (2020: £71.4m) an increase of 6% against an average employee FTE of 1,194 (2020: 1,181). The increase in staff costs reflects the uplift in pensions for the year, including the Strathclyde Pension Fund total service costs of £10.9m (2020: £7.5m). The balance of the uplift is due to a small uplift in FTE year on year.

Staff costs



Other Operating Expenses

Other operating expenditure remained broadly flat year on year at £31.6m (£31.3m 2020). Operating expenses in most areas was held to budget with the main exception being a controlled overspend on recruitment costs at the Scottish and London campuses in order to deliver the increased income against expectations. Despite continuing student hardship brought on by the extended impacts of covid-19, it is pleasing to note that aged debt figures did not increase in the year and the bad debt provision was reduced by £1.5m.

provision to support remote learning and the development of the UWS social learning platform. A further £0.3m was spent on buildings.



Interest and other finance costs

Finance interest costs increased by £0.2m in year to 6.3m (£6.1m 2020). This modest uplift is due to additional net interest charges payable on the SPF pension scheme based on the University's opening net liability.



Statement of Financial Position

The University has total net assets of £60.9m as at 31 July 2021 (2020: £24.6m). The increase in net assets of £36.3m can largely be attributed to the University share of the accounting liability in the Strathclyde Pension Scheme reducing by £25.7m in year to £47.5m (2020: £73.2m). The other favourable impacts are reduced borrowing and increased cash holdings as a result of cash generated through the year



Capital Investment /Estates and Facilities

During the year to 31 July 2021, £4.2m was spent on capital additions. Expenditure on furniture and fittings & equipment (£3.9m) relates to the enhancements to each of the campuses, digital

Net Debt

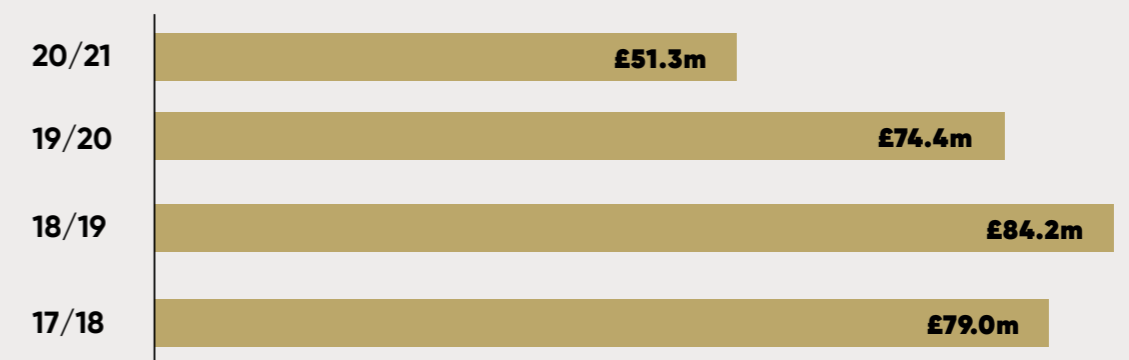
Overall, net debt reduced by an encouraging £22.5m as a result of cash generated through the year. This resulted in the repayment of £15m Revolving Credit Facility in full during the year, further loan and lease repayments of £2.7m and an increase in cash at bank and deposits of £5.3m to a closing balance of £33.9m.

The current asset ratio has remained stable, with an increase in current assets offset by a corresponding increase in current liabilities. The increase in liabilities was due to a higher level of accruals and deferred income at 31 July 2021 than the same point in 2020. The University adheres to a treasury management protocol which is used to identify, manage and control treasury risk, manage daily cash balances and ensure compliance with financial covenants.

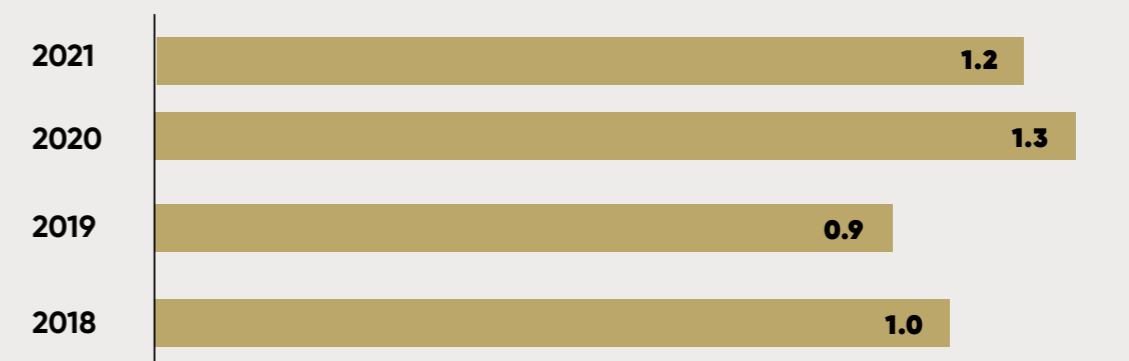
Payment of Suppliers

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 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. The performance against this measure in 2021 has been impacted by the continued impact that remote working has had on the effectiveness of the 'procure to pay' process. 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.

Net debt



Current assets ratio



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 pension liability in relation to the University's share of assets and liabilities in the SPF. In 2020-21 the liability reduced from £73.2m to £47.5m. This reflects 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 Scheme 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 effect of increasing pressure on employer's pension contributions, for each of the schemes, continues to impact on the staffing cost obligations 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 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

October 2021





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 2020 to 31 March 2021 is as follows:

Trade Union representatives and full-time equivalents	
Number of employees who were relevant union officials during the relevant period	13.00
FTE number of trade union representative for this period	12.06

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	0
1% to 50% working hours	12
51% to 99% working hours	1
100% working hours	0

Percentage of pay bill spent on facility time	
Total cost of facility time	£104,700
Total pay bill	£67,639,084
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 2020 until 31st March 2021 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	4.05%

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 & 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 following standing committees of Court:

The **Policy and Resources Committee** oversees the strategic policy, people and financial responsibilities of Court, makes recommendations to Court on the University's annual review and capital budgets and monitors performance in relation to approved budgets. It ensures compliance with the SFC Financial Memorandum and maintains an oversight of student numbers and people resource monitoring.

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

The **Audit and Risk Committee** oversees the audit arrangements for the University, including the appointment of the external auditor and is responsible for monitoring the effectiveness of both internal and external audit.

The Committee considers detailed reports on the University's systems of internal control which support core business activities including governance arrangements; risk management; financial management; organisational and

service performance, including value for money, as well as the audit of the University's annual financial statements.

The **Remuneration Committee** has delegated responsibility from Court for approving the remuneration of 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 **Governance and Nominations Committee** has responsibility for maintaining oversight of corporate governance arrangements and considers nominations for vacancies in the Court membership having regard to the balance of skills, experience and attributes. The Governance & Nominations Committee keeps the balance of diversity, skills and experience under review and maintains a skills matrix on the membership of Court. The Committee reviews the skills matrix at least annually to identify any gaps and to ensure that the breadth and depth of skills and experience, which Court requires to discharge its responsibilities effectively, continues to be reflected in its membership.

Attendance of Court members is reviewed annually by the Governance & Nominations Committee. An analysis of attendance during 2020-21 is set out at page 37.

The **Health and Safety Committee** advises the Court on all matters relating to health and safety and promotes an evolving and proactive culture in health and safety and 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. An externally facilitated effectiveness review of the Senate took place in 2019-20.

Key Governance Activities of Court during 2020-21

Court and its Committees have maintained a full programme of business during the pandemic, including a recruitment exercise for new members. During the reporting period, Court commenced a review of its committee framework as part of its ongoing review of effectiveness.

During the 2020-21 financial year, the University Court engaged with a number of key governance activities including:

- While it was not necessary to amend the governance framework in the light of the pandemic, to ensure the continuation of University business during covid-19 pandemic restrictions, meetings of Court and its Committees have been held remotely since March 2020; all meetings were held as originally planned. The September 2021 Strategic Themed Event and the June 2021 meeting of the Court consisted of limited "in person" attendance by members of Court in line with Scottish Government guidelines.
- Holistic review of the membership and terms of reference of the sub Committees of Court.
- Review of the methodology and categories of the skills analysis of the membership of Court.

- Refresh of the Induction and CPD arrangements for members of Court.
- 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. An externally facilitated review of effectiveness was undertaken in the 2019/2020 academic year.

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. In June 2021, the Court appointed Mrs Yekemi Otaru BEng, MBA, MSc, MCIM as University Chancellor with effect from 1st September 2021, replacing the former Chancellor, The Rt Hon Dame Elish Angiolini DBE QC FRSE who completed her period of appointment on 31st August 2021.

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 & 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 and CPD arrangements for members of Court were refreshed during the 2020-21 academic year. The revised 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 encouraged to attend a meeting of the Senate as an observer.

CPD/Information Sessions for all members of Court are also planned on a range of relevant topics.

Additional induction sessions are arranged for new members of the Audit & Risk Committee and for new Chairs of Court Committees.

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.

Thematic Plans for Excellent Learning and Teaching, Distinctive Research and Innovation, and Shaping Communities and Society will help translate the aspirations of Strategy 2025 into actions for implementation and ongoing monitoring.

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 corporate 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 Corporate Risk Register. Reflecting the importance of these corporate risks, each has been assigned an owner from the Vice Chancellor's Executive Group with executive responsibility for managing that risk.

These risks are formally reviewed biannually with the Corporate Risk Register submitted periodically to the Audit and Risk Committee and to the Court.

While risk management is well established within the University, it is important to avoid becoming complacent. To this end a review of risk management commenced in Summer 2021, to deliver a more coherent and engaging approach to risk management.

The section 'external environment and risk management' outlines certain the key strategic risks and UWS' approach to addressing these a series of mitigating actions to manage UWS' exposure to these.

In 2020-21, UWS has continued to manage a wide range of risks, many of which have been related to Covid or Brexit. Following Court endorsement of the Performance Framework in June 2021, work commenced on realigning the Corporate Risk Register to this, with a report to be submitted to the Audit and Risk Committee.

The Creating Strength from Adversity Project in 2020 has provided oversight and leadership in managing and responding to covid-19. Each of the nine workstreams is led by a member of the Vice Chancellor's Executive Group and supported by the Programme Management Office, and reports regularly to the University Executive. The 'dashboard' updates from each workstream include an explicit statement on risk and, as required, will escalate issues or actions requiring resolution. The reporting of activity and risk from the workstreams ensures shared understanding across executive leads, deans of school and directors of services. The project risk assessments form part of the evidence-base for updates to local and corporate risk register.

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

services 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 corporate 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. The basis of this opinion is outlined in section 3 of the statement of principal accounting policies on page 60.

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 2021 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 disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the University's Order of Council, the Statement of Recommended Practice on Accounting for Further and Higher Education and other relevant 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). In addition, within the terms and conditions of the Financial Memorandum agreed between the Scottish Funding Council and the University Court, the Court, 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 surplus or deficit and cash flows for that year.

In causing the accounts to be prepared, the Court has ensured that:

- suitable accounting policies are selected and applied consistently
- judgements and estimates are made that are reasonable and prudent
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- accounts are prepared on the going concern basis unless it is inappropriate to presume that the University will continue in operation.

The Court has taken all reasonable steps to:

- ensure that funds from the Scottish Funding Council are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Scottish Funding Council may from time to time prescribe
- 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 prevent and detect fraud
- secure the economical, efficient and effective management of the University's resources and expenditure.



Membership of Court and Key Committees

The following were members of Court for all or part of the year ended 31 July 2021 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
Mrs K Allum	01/02/20		Lay (Chair)
Ms A Buchanan	01/06/20		Nominated by Support Staff Trade Unions
Mr A Burns	01/06/20		Nominated by Academic Staff Trade Union
Mrs M Curran		31/01/21	Lay
Ms M Gibson OBE		30/11/20	Lay
Ms E Gomersall	01/07/21		Student
Mr A Gubbay	01/02/21		Lay
Mr A Gordon			Lay
Mr L Humberstone	01/07/21		Student
Ms C Hunter		30/06/21	Student
Professor C Mahoney			Principal and Vice-Chancellor
Mr A Mallick	01/02/21		Lay
Dr L Meredith			Provost & Deputy Vice-Chancellor
Mr A Miller			Lay
Mr C Morgan	01/02/21		Lay
Mr A Munro			Lay
Mr K Murdoch	01/02/21		Lay
Professor C MacDonald			Lay (Vice Chair)
Ms M McCusker		30/10/21	Elected by All Other Staff
Ms A McKechin			Lay
Dr I McLellan	01/12/20		Elected by Academic Staff
Mr I Nizami		30/06/21	Student
Dr C O'Donnell			Senate Representative
Ms T O'Donnell			Lay
Ms R Paterson	01/09/21		Lay
Mr K Quinlan			Lay
Professor K Sloman		30/11/20	Elected by Academic Staff
Mr H Stolkin	01/09/21		Lay

Attendance at Court and Committee meetings for the year to July 2021.

Mrs K Allum	4 of 4	1 of 1	1 of 1	4 of 4	2 of 2	3 of 3
Ms A Buchanan	4 of 4	1 of 1	1 of 1			
Mr A Burns	3 of 4	1 of 1	1 of 1			1 of 1
Ms M Curran	1 of 1	1 of 1	N/A		2 of 2	
Mr R Doherty*	N/A	1 of 1	N/A		3 of 4	
Ms M Gibson OBE	1 of 1	1 of 1	N/A	0 of 1		
Mr A Gordon	4 of 4	1 of 1	1 of 1	4 of 4	2 of 2	2 of 3
Mr A Gubbay	3 of 3	N/A	1 of 1			
Ms C Hunter	4 of 4	1 of 1	1 of 1			
Professor C Mahoney	4 of 4	1 of 1	1 of 1	4 of 4		3 of 3
Mr A Mallick	3 of 3	N/A	1 of 1			
Dr L Meredith	4 of 4	1 of 1	1 of 1	3 of 4		2 of 3
Mr A Miller	3 of 4	1 of 1	1 of 1		4 of 4	2 of 2
Mr C Morgan	3 of 3	N/A	1 of 1			
Mr A Munro	4 of 4	1 of 1	1 of 1		4 of 4	
Mr K Murdoch	3 of 3	N/A	1 of 1		2 of 2	
Professor C MacDonald	4 of 4	1 of 1	1 of 1	4 of 4	2 of 2	3 of 3
Ms M McCusker	3 of 4	1 of 1	1 of 1			
Ms A McKechin	4 of 4	1 of 1	1 of 1		4 of 4	3 of 3
Dr I McLellan	3 of 3	N/A	1 of 1	2 of 2		
Mr I Nizami	4 of 4	1 of 1	1 of 1	4 of 4		2 of 3
Dr C O'Donnell	4 of 4	1 of 1	1 of 1	4 of 4		
Ms T O'Donnell	4 of 4	1 of 1	1 of 1	4 of 4		3 of 3
Mr K Quinlan	4 of 4	0 of 1	1 of 1			
Professor K Sloman	N/A	1 of 1	N/A	1 of 1		1 of 1

• Co-opted Member of the Audit & Risk Committee only

^ PRC = Policy & Resources Committee

ARC = Audit & Risk Committee

REM = Remuneration Committee

GNC = Governance & Nominations Committee

HSSC = Health, Safety & Sustainability 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 2021 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 2021 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)") and applicable law. 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

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

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.
- 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 loan covenants and regulatory performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that research income is recorded in the wrong period and the risk that University management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as pension assumptions.

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 significant accounting estimates for 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.



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

As the University is regulated our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

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.

The University is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, taxation legislation, pensions legislation, specific disclosures required by higher education legislation and regulation, charities legislation and related legislation 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 these 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 of the West of Scotland are 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 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 their statement set out on page 35, the University Court of the University of the West of Scotland are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine 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 they either intend to liquidate the University or to cease operations, or have 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.

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 of the West of Scotland, in accordance with paragraph 6 of the University of 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. Our audit work has been undertaken so that we might state to the University Court of the University of the West of Scotland those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University Court of the University of the West of Scotland, for our audit work, for this report, or for the opinions we have formed.

Michael Wilkie

**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



Statement of Comprehensive Income for the year ended 31 July 2021

	NOTE	2021 £'000	2020 £'000
INCOME			
Tuition fees and education contracts	1	43,086	35,526
Funding body grants	2	77,340	75,482
Research grants and contracts	3	4,814	4,449
Other income	4	3,008	6,224
Investment income	5	85	233
Donations and endowments	6	127	57
TOTAL INCOME		128,460	121,971

EXPENDITURE			
Staff costs	7	75,572	71,388
Exceptional restructuring costs	7	497	2,460
Interest and other finance costs	8	6,319	6,114
Other operating expenses	9	31,593	31,280
Depreciation	10	12,853	12,878
TOTAL EXPENDITURE		126,834	124,120

SURPLUS/(DEFICIT) BEFORE OTHER GAINS LOSSES			
Gain on disposal of fixed assets		-	593
Unrealised surplus /(deficit) on revaluation of investments		1,216	(364)

SURPLUS/(DEFICIT) FOR THE YEAR			
Actuarial gain / (loss) in pension plan	16	33,405	(35,324)

TOTAL COMPREHENSIVE INCOME FOR THE YEAR		36,247	(37,244)
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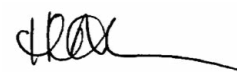
Statement of Changes in Reserves for the year ended 31 July 2021

	INCOME & EXPENDITURE UNRESTRICTED £'000	REVALUATION RESERVE £'000	TOTAL RESERVES £'000
Balance as at 31 July 2019	27,662	34,192	61,854
Surplus/deficit for the year	(1,556)	(364)	(1,920)
Other comprehensive income	(35,324)	-	(35,324)
Excess of depreciation on revaluation	1,172	(1,172)	-
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

Statement of Financial Position as at 31 July 2021

	NOTE	2021	2020
		£'000	£'000
NON CURRENT ASSETS			
Tangible assets	10	215,933	224,819
Investments	11	8,840	7,586
		224,773	232,405
CURRENT ASSETS			
Stock		314	79
Trade and other receivables	12	11,720	9,996
Cash and cash equivalents	13	33,901	28,626
		45,935	38,701
Creditors: amounts falling due within one year	14	(37,547)	(30,051)
Net current assets		8,388	8,650
TOTAL ASSETS LESS CURRENT LIABILITIES			
		233,161	241,055
Creditors: amounts falling due after more than one year	15	(118,371)	(135,988)
PROVISIONS			
Pension provision	16	(53,933)	(80,114)
Other provisions	17	-	(343)
		(53,933)	(80,457)
TOTAL NET ASSETS			
		60,857	24,610
RESERVES			
Income and expenditure reserve	18	28,266	(8,046)
Revaluation reserve	18	32,591	32,656
TOTAL RESERVES			
		60,857	24,610

The Financial Statements on pages 42 to 65 were approved by Court on 23 November 2021 and were signed on its behalf by:



Kate Allum
Chair of Court



Professor Craig Mahoney
Principal & Vice Chancellor

Statement of Cash Flows for the year ended 31 July 2021

	2021	2020
	£'000	£'000
Cash flow from operating activities		
Surplus / (deficit) for the year	2,842	(1,920)
Adjustment for non-cash items		
Staff service cost adjustment for SPF	6,621	3,122
Unrealised surplus on revaluation of investments	(1,216)	-
Depreciation	12,853	12,878
Release of deferred capital grants	(2,720)	(4,729)
(Increase) in stocks	(233)	(10)
(Increase) in debtors	(1,724)	(3,615)
Increase in creditors	8,193	6,196
Pension provision	(557)	(367)
Decrease in other provisions	(343)	(140)
Adjustment for investing or financing activities		
Investment income	(85)	(233)
Interest payable	6,319	6,114
Gain on disposal of fixed assets	-	(593)
Net cash inflow from operating activities	29,950	16,703
Cash flows from investing activities		
Proceeds from the sale of fixed assets	-	793
Investment income	85	233
Payments made to acquire fixed assets	(3,967)	(3,343)
Movement in non-current asset investments	(39)	(163)
Total cash outflow from investing activities	(3,921)	(2,480)
Cash flows from financing activities		
Interest paid	(1,194)	(1,357)
Interest element of finance lease	(3,964)	(3,850)
New long term loan	-	5,000
Repayment of long term loans	(15,512)	(919)
Capital grants received	1,674	1,366
Capital element of finance lease	(1,758)	(2,016)
Total cash (outflows)/inflows from financing activities	(20,754)	(1,776)
Increase/(decrease) in cash and cash equivalents in the year	5,275	12,447
Cash and cash equivalents at the beginning of the year	28,626	16,179
Cash and cash equivalents at the end of the year	33,901	28,626

Notes to the Financial Statements

1. TUITION FEES AND EDUCATION CONTRACTS	2021	2020
	£'000	£'000
Tuition Fees - Scotland	18,906	16,062
Tuition Fees - EU	3,316	3,302
Tuition Fees - RUK	4,297	2,432
Tuition Fees - Non- EU	13,425	9,660
Transnational Education	1,518	1,081
Short Course Fees	226	1,687
Total Fees paid by or on behalf of individual students	41,688	34,224
Nursing Education contract	1,398	1,302
	43,086	35,526

2. FUNDING COUNCIL GRANTS	2021	2020
	£'000	£'000
Recurrent Grant from SFC		
Teaching	68,263	65,246
Research	2,900	2,914
Strategic Funds	3,485	2,372
Subtotal SFC grant income received in year	74,648	70,532
Deferred Capital Grant released in Year		
Buildings	1,145	2,873
Equipment	1,547	2,077
	77,340	75,482

The above deferred capital grant release for 2020 includes adjustments relating to an exercise undertaken to align the carrying book value of assets with the remaining deferred capital grant allocated against those assets. The corresponding release is reflected in the statement of comprehensive income.

3. RESEARCH GRANTS AND CONTRACTS	2021	2020
	£'000	£'000
Research Council	819	346
European Commission	854	1,186
UK Charities	300	236
Other grants & contracts	2,841	2,681
	4,814	4,449

4. OTHER INCOME	2021	2020
	£'000	£'000
Residences, catering and conferences	1,652	4,217
Other services rendered	289	257
Other income	1,067	1,750
	3,008	6,224

5. INVESTMENT INCOME	2021	2020
	£'000	£'000
Interest receivable	26	128
Dividends receivable	59	105
	85	233

6. DONATIONS	2021	2020
	£'000	£'000
Unrestricted donations	127	57
	127	57

7. STAFF COSTS	2021	2020
	£'000	£'000
Wages and salaries	53,380	53,040
Social security costs	5,431	5,362
Pension costs (note 16)	16,761	12,986
	75,572	71,388
Exceptional restructuring cost*	497	2,460
AVERAGE STAFF NUMBERS BY MAJOR CATEGORY		
Academic & Research	589	573
Professional Services	451	445
Other Including Clerical and Manual	99	108
Technical	55	55
	1,194	1,181
STAFF COSTS BY MAJOR CATEGORY		
Academic & Research	46,430	41,604
Professional Services	23,724	24,427
Other Including Clerical and Manual	2,817	3,065
Technical	2,601	2,292
	75,572	71,388
EMOLUMENTS OF THE PRINCIPAL & VICE CHANCELLOR ⁽¹⁾		
Salary	236	236
Emoluments in lieu of pension contributions	39	39
Employers' pension contributions	5	5
	280	280
THE TOTAL COMPENSATION FOR KEY MANAGEMENT PERSONNEL ⁽²⁾ (excluding the Principal & Vice Chancellor) for the year ended 31 July 2021 was as follows:		
Salary	675	830
Compensation for loss of office (KMP only)	106	-
Employers' NI contributions	103	113
Employers' pension contributions	170	165
	1,054	1,108

*The exceptional restructuring cost relates to a Voluntary Severance and Voluntary Retirement Scheme. The scheme was approved by the University's Remuneration Committee and Court.

⁽¹⁾ 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 (2020: 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				
	2021		2020	
	NUMBER	£'000	NUMBER	£'000
Number of payments made to KMP	1	80	-	-
Compensation arrangements for staff members earning in excess of £100,000.	1	80	-	-

REMUNERATIONS OF HIGHER PAID STAFF (EXCLUDING EMPLOYERS' NI AND PENSION CONTRIBUTIONS)						
	2021			2020		
	MEMBERS OF KEY PERSONNEL	OTHER STAFF	TOTAL	MEMBERS OF KEY PERSONNEL	OTHER STAFF	TOTAL
£100,000 - £109,999	-	1	1	2	1	3
£110,000 - £119,999	3	3	6	-	3	3
£120,000 - £129,999	1	-	1	-	-	-
£130,000 - £139,999	1	-	1	-	-	-
£160,000 - £169,999	-	-	-	1	-	1

Court Members

The University Court members are the trustees for charitable law purposes. Due to the nature of the University's operations and the membership of Court being drawn from local public and private sector organisations, it is inevitable that 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 £596 (2020: £2,449).

8. INTEREST AND OTHER FINANCE COSTS	2021	2020
	£'000	£'000
Bank interest	1,194	1,357
Finance lease interest	3,964	3,850
Net charge on pension scheme	1,161	907
	6,319	6,114

9. OTHER OPERATING EXPENDITURE BY ACTIVITY	2021	2020
	£'000	£'000
Academic Departments	10,742	7,226
Academic Services	7,283	5,652
Research Grants and Contracts	1,552	1,148
Residences, Catering and Conferences	1,084	1,412
Premises	3,716	3,905
Administration	7,092	11,720
Other services rendered	124	217
	31,593	31,280
OTHER OPERATING EXPENSES INCLUDE		
Auditor's Remuneration: External Audit – Audit Services inc VAT	88	80
Auditor's Remuneration: External Audit – Tax Services inc VAT	34	13
Operating lease costs	518	372

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 2020	7,391	63,600	175,190	85,583	1,546	333,310
Additions	-	-	342	2,696	1,200	4,238
Disposals	-	-	-	(43,006)	(271)	(43,277)
Transfers	-	-	-	1,187	(1,187)	-
AT 31 JULY 2021	7,391	63,600	175,532	46,460	1,288	294,271
DEPRECIATION						
At 1 August 2020	-	3,828	33,247	71,416	-	108,491
Charge for year	-	1,767	5,622	5,464	-	12,853
Disposals	-	-	-	(43,006)	-	(43,006)
AT 31 JULY 2021	-	5,595	38,869	33,874	-	78,338
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
NET BOOK VALUE						
As At 31 July 2020	7,391	59,772	141,943	14,167	1,546	224,819
Assets held under finance leases included in the total above	-	59,772	-	4,113	-	63,885

During the year an extensive exercise was undertaken to confirm whether assets were still held, particularly those which were fully depreciated with nil net book value. As a result, £43,006k assets were identified and have been included as disposals within the Fixtures, Fitting and Equipment asset category. These primarily related to old IT and infrastructure more than 10 years old. As all identified disposals were fully depreciated there is no impact on the net book value or on the statement of financial position. A revised process for the timely removal of fully depreciated, disposed or replaced assets has been implemented.



11. INVESTMENTS	LISTED	UNLISTED	2021	2020
	£'000	£'000	£'000	£'000
Balance at 1 August	6,761	825	7,586	7,423
Additions to Investments	1,771	-	1,771	1,076
Disposal of Investments	(1,371)	-	(1,371)	(534)
Realised gains on disposal	147	-	147	36
Unrealised gain / (loss) on revaluation	730	-	730	(591)
Net Cash Movement	(23)	-	(23)	176
Balance at 31 July	8,015	825	8,840	7,586

12. TRADE AND OTHER RECEIVABLES	2021	2020
	£'000	£'000
Amounts falling due within one year:		
Trade Debtors	5,336	5,869
Other Debtors	75	100
Prepayments and accrued income	6,309	4,027
	11,720	9,996

Financial instrument assets comprise: Trade debtors, other debtors and accrued income totalling £7.579m (2020: £7.316m).

13. CASH AND CASH EQUIVALENTS	2021	2020
	£'000	£'000
Bank deposits	33,901	28,626
	33,901	28,626

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021	2020
	£'000	£'000
Unsecured loan	1,130	971
Obligations under finance leases	1,148	1,758
Trade payables	453	1,007
Other creditors and deposits	2,662	1,841
Social security and other taxation payable	1,426	1,600
Accruals and deferred income	28,450	20,350
Deferred capital grants	2,278	2,524
	37,547	30,051

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 2021
	£'000	£'000	£'000	£'000
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

	OBLIGATION UNDER FINANCE LEASE	LOAN REPAYMENT	DEFERRED CAPITAL GRANT	TOTAL 2020
Due between one and two years	1,148	1,014	2,068	4,230
Due between two and five years	1,473	17,513	5,082	24,068
Due after five years	63,667	15,399	28,624	107,690
	66,288	33,926	35,774	135,988

The University has a loan facility of up to £41.5 m (reduced to £33.5m from 25 August 2021 as the £15m revolving credit facility expired and was renewed at a reduced value of £7m), £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
- £5.0m 2.47% variable. This loan was repaid during the year.

- £5.0m 2.47% variable. This loan was repaid during the year.
- £5.0m 2.38% variable. This loan was repaid during the year.

The total loan interest charged in the year was £1.194m (2020: £1.357m). Financial instrument liabilities comprise: unsecured loans, obligations under finance leases, trade payables, other creditors and deposits and accruals totalling £98.647m (2020: £115.726m).

CONSOLIDATED RECONCILIATION OF NET DEBT	2021
	£'000
Net Debt 1 August 2020	74,317
Movement in cash and cash equivalents	(5,275)
New unsecured loan	459
Unsecured loan repayments	(15,971)
Finance lease repayments	(1,756)
Net debt 31 July 2021	51,774
Change in net debt	22,543

ANALYSIS OF NET DEBT:	2021	2020
	£'000	£'000
Cash and cash equivalents	33,901	28,626
Borrowings: amounts falling due within one year		
Unsecured loan	1,130	971
Obligations under finance leases	1,148	1,758
	2,278	2,729
Borrowings: amounts falling due after more than one year		
Unsecured loan	18,255	33,926
Obligations under finance leases	65,142	66,288
	83,397	100,214
Net debt	51,774	74,317

16. PENSION PROVISIONS				
	SPF LIABILITY	ENHANCED PENSIONS	USS DEFICIT	TOTAL
	£'000	£'000	£'000	£'000
As at 1 August 2020	73,205	6,599	310	80,114
Utilised in year	(37,555)	(792)	(14)	(38,361)
Additions in year	11,841	332	7	12,180
AS AT 31 JULY 2021	47,491	6,139	303	53,933

Enhanced Pensions

This is a provision for former University employees who were granted enhanced early retirements prior to 31 July 2021. 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)
- Universities Superannuation Scheme (USS)
- Strathclyde Pension Fund (SPF)

16. TOTAL PENSION COSTS	2021	2020
The total pension cost to the University under these schemes was:		
	£'000	£'000
SPF current and past service cost	10,817	7,479
STPS contributions paid	5,813	5,655
USS contributions paid	131	(148)
	16,761	12,986

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 14 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 contributed 21.1%. This rate will increase from 1 October 2021 to 23.7%. Employee contributions were 9.6%. This rate will increase from 1 October 2021 to 11.0%.

Since the year end, following the completion of the 2020 actuarial valuation, a new dual rate schedule of contributions has been agreed with an effective date of 1 October 2021. Recalculating the USS provision on the basis of these contributions would result in an increased obligation to fund the deficit of £874,017, an increase of £570,546.

A further change to deficit recovery contributions will become applicable under the 2020 valuation if the Joint Negotiating Committee recommended deed on benefit changes has not been executed by 28 February 2022. In this scenario, higher deficit recovery contributions will commence from 1 October 2022 at 3% and then increase every 6 months until they reach 20% at 1 October 2025. They remain at this level until 31 July 2032. Negotiations are ongoing in relation to this and an increase to this level is considered remote.

If the Schedule of Contributions remains unchanged, the University's Financial Statements for the year ended 31 July 2022 will reflect these changes to the provision, subject to any other changes in financial and operational assumptions.

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 2021. The employer contribution rate for the period 1 August 2020 to 31 July 2021 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:	2021	2020
Equities	66%	63%
Bonds	24%	25%
Property	9%	11%
Cash	1%	1%
INVESTMENT RETURNS		
Actual Returns from 1 July 2020 to 30 June 2021	19.4%	1.5%
Total Returns from 1 August 2020 to 31 July 2021	22.1%	(2.4%)
FINANCIAL ASSUMPTIONS		
Discount rate	1.6%	1.4%
Pensionable salary growth	3.55%	3.3%
Pension increase rate	2.85%	2.2%

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2020 model, with a 0% weighting of 2020 data, standard smoothing (Sk7), initial adjustment of 0.5% 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	19.8 years	22.6 years
Future Pensioners	21.2 years	24.7 years

16. PENSION PROVISIONS	2021	2020
The following amounts at 31 July 2021 were measured in accordance with the requirements of FRS 102. Year ended 31 July 2021:	£'000	£'000
OPENING ASSETS AND LIABILITIES		
Fair value of plan assets	206,217	210,395
Present value of funded liabilities	(275,482)	(240,402)
Present value of unfunded liabilities	(3,940)	(3,987)
NET LIABILITY AT START OF YEAR	(73,205)	(33,994)
Current service cost	(10,743)	(8,942)
Past service cost	(28)	1,463
TOTAL SERVICE COST	(10,771)	(7,479)
Interest income on plan assets	2,884	4,427
Interest on defined benefit obligation	(3,954)	(5,192)
TOTAL NET INTEREST	(1,070)	(765)
TOTAL DEFINED BENEFIT COST RECOGNISED IN PROFIT/(LOSS)	(11,841)	(8,244)
Cashflow from employer contributions	3,893	4,098
Contributions in respect of unfunded benefits	257	259
Expected closing position	(80,896)	(37,881)
Changes in financial and demographic assumptions	(16,645)	(26,963)
Other experience	7,446	1,083
Return on assets excluding amounts included in net interest	42,604	(9,444)
TOTAL RE-MEASUREMENTS RECOGNISED IN OTHER COMPREHENSIVE INCOME	33,405	(35,324)
NET LIABILITY AT END OF YEAR	(47,491)	(73,205)
COMPRISING:		
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 END OF YEAR	(47,491)	(73,205)

17. PROVISIONS FOR LIABILITIES		
	DILAPIDATION	TOTAL
	£'000	£'000
As at 1 August 2020	343	343
Utilised in year	(343)	(343)
Addition during 2020-21	-	-
AS AT 31 JULY 2021	-	-

Dilapidation

This provision was utilised on remedial and dilapidation works carried out on the Browne & Dudgeon Buildings at the Dumfries Campus.

18. 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 2021 the revaluation reserve in respect of properties was £30,648k (2020: £31,929k) and in respect of investments was £1,943k (2020: £727k).

19. CAPITAL COMMITMENTS

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

	2021	2020
	£'000	£'000
Commitments contracted for	330	689
	330	689

20. OPERATING LEASE COMMITMENTS			2021	2020
At 31 July 2021 the total future minimum payments on operating leases were as follows:				
		£000	£000	
Due within 1 year		376	371	
Due between 1 and 2 years		346	277	
Due between 2 and 5 years		72	142	
		794	790	

21. CHILDCARE, DISCRETIONARY AND NURSING AND MIDWIFERY FUNDS

	2021				2020			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	CF	DF	Covid DF	NMF	CF	DF	Covid DF	NMF
Funds Brought Forward from previous year	-	54	-	1	48	-	-	2
Funds Received in Year	860	850	2,155	139	915	954	231	139
Expenditure	(485)	(1,279)	(2,155)	(135)	(694)	(1,121)	(231)	138
Virements	(375)	375	-	-	(221)	221	-	-
Repaid as clawback	-	-	-	(1)	(48)	-	-	(2)
Funds Carried Forward at 31 July 2021	-	-	-	4	-	54	-	1
Repayable as clawback	-	-	-	(4)	-	-	-	(1)

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.

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 University Audit and Risk Committee have reviewed cash flow forecasts for a period of 2 years. The University Court has discussed and endorsed the Committee's conclusion that, taking account of severe but plausible downsides, including the anticipated impact of covid-19, the University will have sufficient funds to meet their liabilities as they fall due over the period of 20 months from the date of approval of the financial statements.

A going concern Covid-impacted scenario has been built into the budget as approved by Court in June 2021. The key assumptions were, a reduction in occupancy levels in the residences and reduced catering income as a result of continued reduced campus presence.

A further scenario with a 60% reduction in international students and 30% reduction in London students was also considered to model a worst-case post Brexit scenario.

Both scenarios illustrated that the University will have sufficient funds to meet its liabilities as they fall due over the period of 20 months from the date of approval of the financial statements.

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 £10.155m of income would require to be experienced to breach loan covenants. This is not an experienced outcome therefore the business is considered a going concern.

We have opted to reduce the revolving credit facility by £8m as it is no longer needed. 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 a voluntary severance scheme or postpone planned capital projects but there is no present intention to do so.

The University has a loan facility of up to £41.5 million (reduced to £33.5m from 25 August 2021), £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 20 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 (the going concern period) 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 0.6% p.a. for 31 July 2021 (2020 1.0% was used). This gap includes an assumed Inflation Risk Premium of 0.15% being applied to RPI Based on the sensitivity information provided by the actuary, we expect the impact of this change in approach to be a c.£15.6m increase in the DBO as the CPI assumption is now 0.3% higher than it would have been under the previous methodology. 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 [Group/Company] 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.

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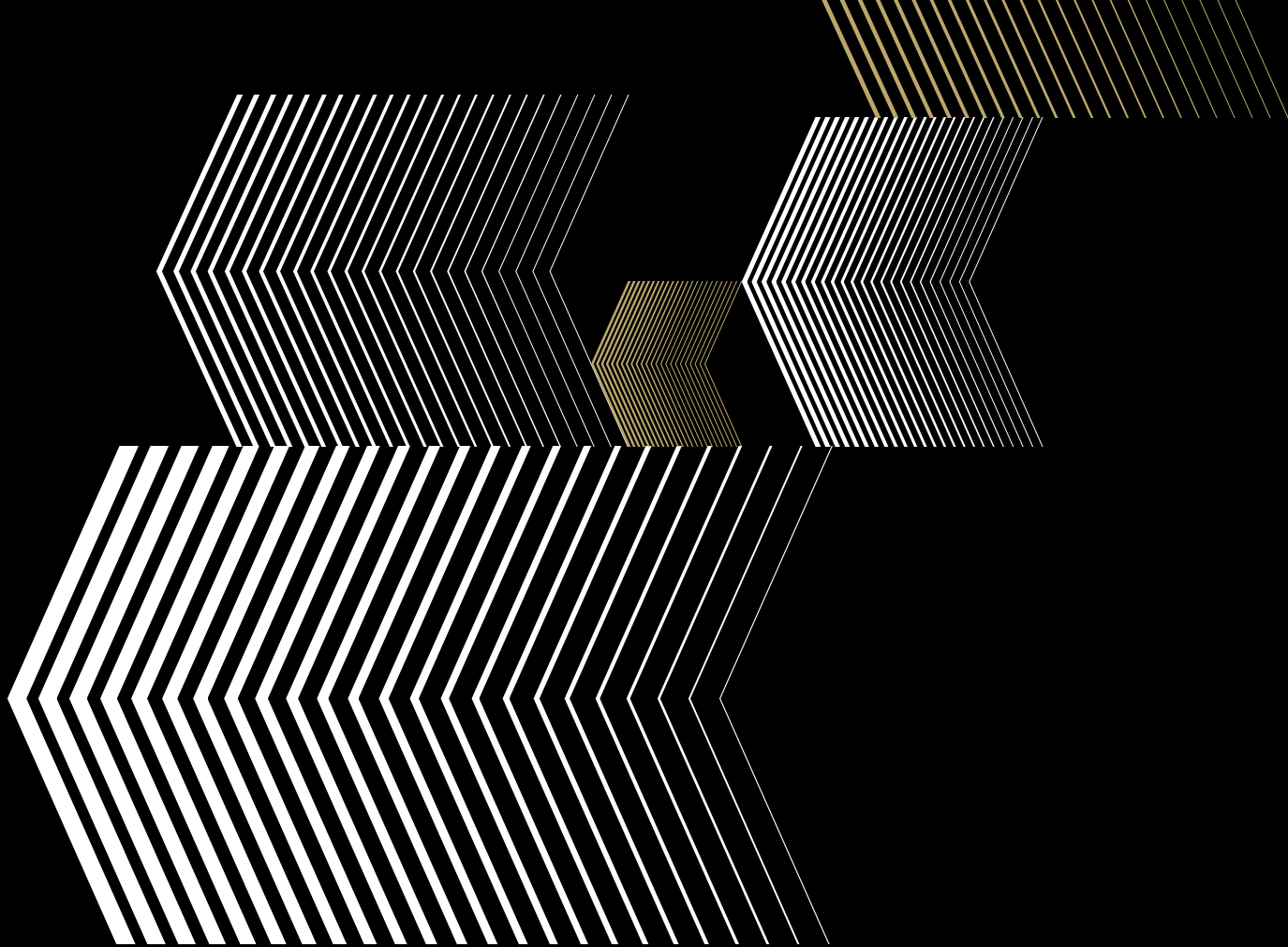
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At UWS, we believe in our students' future.

We have a proud record in delivering 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 our cutting-edge courses, practical knowledge, and intelligent teaching, we help our students get ahead.

Through our innovative learning partnership we invest in people's potential to shape their future. Built on uniting students, professionals, industry and our communities, this partnership stretches from the West of Scotland around the world.

We believe in the transformative power of active learning and engagement. We treat our students as individuals, partners and potential leaders in their fields and professions, providing them with the globally relevant knowledge, skills and confidence to think critically and to challenge received wisdom.



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