



University
of Glasgow

REPORTS & FINANCIAL STATEMENTS

FOR THE YEAR TO 31 JULY 2023

WORLD
CHANGING
GLASGOW

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THE  TIMES
THE SUNDAY TIMES

GOOD
UNIVERSITY
GUIDE
2024

SCOTTISH
UNIVERSITY
OF THE YEAR

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INTRODUCTION



WELCOME FROM THE PRINCIPAL

Anton Muscatelli Principal and Vice-Chancellor



I'm pleased to say the University has had another remarkable year. As well as being named the Scottish University of the Year by The Times & Sunday Times Good University Guide 2024, we also improved our position in both of the main international rankings, rising five places in the QS World Rankings to 76th in the world, which places us among the top 5% of institutions globally. In the 2022 Times Higher Education (THE) World University Rankings, Glasgow was placed 82nd with these results including particularly positive outcomes for Academic Reputation. Our performance in these league tables and also in the Times Higher Education (THE) Impact Rankings is testament to the hard work, dedication and collaborative spirit demonstrated by our colleagues throughout 2022-23. In the Impact Rankings we significantly improved our global standing, with the University of Glasgow ranked 13th overall in the world and 2nd in the UK for our contribution to the 17 United Nations' Sustainable Development Goals (SDGs).

As a civic University we are committed to contributing to the delivery of the SDGs and making an impact on our city, on Scotland and globally. Central to this is our research activity and I was pleased we recently celebrated the one-year anniversary of the Mazumdar-Shaw Advanced Research Centre (ARC). The ARC is the beating heart of research collaboration at the University and signals our commitment as an institution to go further to break down traditional barriers to collaboration. In 2023 we also opened our new Clarice Pears Building, home to our School of Health & Wellbeing. The Clarice Pears provides a brand-new facility for colleagues, students and the local community to come together and collaborate on research projects designed to address the complex health and social challenges we face. As we continue to see the effects of the cost-of-living crisis on vulnerable communities, the work of colleagues in this School will be more crucial than ever.

We know there's much more we can do as an institution to pivot our work to meet these challenges, particularly in our own city. Glaswegians were once at the forefront of the industrial revolution

and we want to reimagine the city as the epicentre of emerging technologies with potential to drive the nation's productivity and growth in areas such as quantum, semiconductors, AI, extended/virtual reality (XR/VR), telecommunications and life sciences. Core to this approach is our capacity as an institution to innovate quickly and efficiently, and we must continue to consider the strategic priorities of Government to ensure we remain responsive to new funding calls. Last year the University launched a new Innovation Strategy for 2022-2025, which will focus on empowering innovation in every corner of our institution, and in March 2023 we were delighted that six University of Glasgow-led projects were chosen by the UK Government as recipients of funding through the £100m Levelling-Up Innovation Accelerators programme.

This year also saw the announcement of the Glasgow Riverside Innovation District (GRID), led by the University, as Scotland's first ever whole-systems innovation demonstrator. Through this major initiative, known as 'GRID Discovery' we will attract inward investment to the Govan area of the city,

WELCOME FROM THE PRINCIPAL

creating access to good quality jobs, and developing a skills pipeline to build on the region's strengths. To this end, the close involvement of communities in the area will be critical to the success of this initiative and we're seeking to build on the existing partnerships we have with the Queen Elizabeth University Hospital and the NHS. Indeed, one of the first major steps we took to launch GRID Discovery saw us enter into a Memorandum of Understanding with GE HealthCare, a leading global medical innovator, to work together to identify opportunities for collaboration focused on people-centred healthcare.

We've also committed to continued investment in our enabling infrastructure. This includes advancing plans for campus development, our IT infrastructure, including our business continuity response to the cyber security threat all organisations continue to face, and plans to increase the support provided for entrepreneurship at the University. This past year we've seen major successes for University of Glasgow spin outs, with Causeway Therapeutics, a spin out specialising in tendon disease, raising £8.75m from investors. And Chemify, a digital chemistry spin out based in the ARC, raised more than £33m from international investors. We have immense potential to unlock and we can compete with our innovative European peers like Finland, Germany and Denmark.

To be a world-changing University we must also continue to focus our innovative capabilities on the climate emergency. Building on the legacy of COP26 in the city in 2021, we continue to prioritise sustainability and create opportunities for everyone in our community to play their part in supporting a just transition to net zero. In November 2022 we published a new Carbon Management Plan, outlining our plans to reach net zero for greenhouse gas emissions by 2030.

The University also continues to act on the wider humanitarian issues we've seen play out during the past year. Glasgow colleagues have played a central role in widening access to education, particularly for refugees. In January we were proud to be awarded University of Sanctuary status in recognition of the work we've done to embed a culture of sanctuary into our policies and processes, such as adjusted offers of entry, fee waivers, dedicated financial support and developing curriculum content based on lived experience. The award also recognises our work with external networks including the Council for At-Risk

Academics because we absolutely recognise this work cannot be done in isolation, and we'll continue to advocate across sectors to coordinate collective activity.

It is our exceptional colleagues and students who bring our rich history and our campuses to life, and we must do all we can to create an environment where collaboration and creativity can flourish. We know our vibrant and diverse community continues to attract the best talent to come to Glasgow, and this was exemplified in June 2023 when we saw hundreds of students, colleagues and partners from across the world come together for a series of events to commemorate the tercentenary of one of our most famous alumni, Adam Smith.

The University has also committed to investing in our student community and student experience. Working closely with the Students' Representative Council (SRC), Glasgow University Sports Association (GUSA), Glasgow University Union and Queen Margaret Union, we have developed a programme of action to implement the student experience strategy, elaborating a series of projects under the three main pillars of the strategy – opportunity, inclusivity & belonging, and wellbeing. We have set aside funding to support these projects over the next four years to strengthen the sense of community on all our campuses and enable all students to achieve their full potential while studying at Glasgow. During the last year we secured over 2,000 additional student beds to ensure we can meet our commitments to our student community and we continue to invest in our teaching strategy and evolving our teaching model, including greater use of technology, active learning and sustained improvement of the student learning experience.

Over the next year we'll continue to see the brightest and best the world has to offer engaging with our University. There's much to look forward to with the completion of the new Adam Smith Business School/PGT Hub, as well as the launch of a new Centre for Data Science & AI and Centre for Public Policy. We'll also be commemorating the 200th anniversary of Lord Kelvin and we'll continue to forge new research and mobility opportunities with international partners. One such endeavour will see Glasgow partnering through the Guild EU and the African Research Universities Alliance (ARUA) with institutions across Africa and Europe to form

WELCOME FROM THE PRINCIPAL

vital new Clusters of Research Excellence. These sustained partnerships aim to tackle the inequity that has characterised research in relation to Africa, to the detriment of global science.

All of this is only possible because we will not rest on our laurels. With the support of colleagues, I am absolutely certain our University will continue to perform well, with strong research income, cash reserves and international student numbers providing a sustainable platform from which we can progress. But the last few years have shown we must continue to foster institutional resilience and adaptability. In doing so, I'm confident we will be well positioned to address the future challenges and uncertainties in the Higher Education market including the potential impacts of increasing geopolitical risk, challenges in the recruitment environment and ongoing economic pressures both in the UK and beyond.

I'm excited for what lies ahead and I want to thank each and every one of my colleagues for their continued support and contribution to the wider impact of the University of Glasgow.

Anton Muscatelli
Principal and Vice-Chancellor

OUR UNIVERSITY AT A GLANCE

<p>Placed 1st Scottish University of the Year 2024</p> <p>The Times and Sunday Times Good University Guide</p>	<p>76th in the World</p> <p>QS World University Rankings 2024</p>	<p>1st in Scotland 2nd in UK 13th in the World</p> <p>out of 1,591 institutions THE World Impact Rankings 2023</p>
<p>93% of University research is world leading or internationally excellent</p> <p>Research Excellence Framework (REF) 2021</p>	<p>Welcomed 35,525 undergraduate and postgraduate students in 2022-23</p>	<p>13th in the World out of 700 Universities</p> <p>QS World Sustainability Rankings 2023</p>
<p>over 300,000 global alumni community</p>	<p>£2.5bn investment planned in buildings, infrastructure and information technology over 15 years</p>	<p>Among the Top 100 Universities for 5th year in a row</p> <p>THE Times Higher Education World University Rankings 2024</p>
<p>14th in Europe</p> <p>QS World Rankings: Europe 2024</p>	<p>7,221 full-time equivalent staff members in 2023</p>	<p>£221m of research grants and contract income in 2023 growing from £196m in 2022</p>
<p>£411m of tuition fees and education contract income in 2023 growing from £381m in 2022</p>	<p>£44m of bursaries and scholarships awarded in 2023 compared to £39m in 2022</p>	<p>Gold Athena Swan Award</p> <p>renewed for the School of Health & Wellbeing for 2023-28</p>

YEAR IN PICTURES



Scotland's First Minister, Humza Yousaf, was welcomed to our brand new **Clarice Pears Building**, home of our School of Health & Wellbeing, to learn more about the University's commitment to addressing health inequalities through its research and civic engagement.

We signed a **Memorandum of Understanding with GE HealthCare**, a leading global medical technology, pharmaceutical diagnostics and digital solutions innovator. We will work together to identify opportunities for collaboration in research and development, and innovation focused on people-centred healthcare and outcomes.



We welcomed **Alister Jack MP**, the Secretary of State for Scotland, to the labs of **Chemify**, a spin-out from the University, which is involved in one of the six **Innovation Accelerator - funded projects** being taken forward by the **Glasgow Riverside Innovation District (GRID)**, a city-wide partnership led by the University, Glasgow City Council and Scottish Enterprise.

Students from across the world attended our first **Adam Smith** international summer school, during the **tercentenary** of our famous graduate's birth.



YEAR IN PICTURES



A ceremony was held in the Hunterian Art Gallery to mark being awarded **University of Sanctuary status** in recognition of the University's commitment to supporting people who have experienced forced migration. This is part of the **City of Sanctuary UK initiative**, which promotes the UK as a welcoming place of safety for all.

We awarded **six honorary degrees** to individuals in recognition of their achievements. The honorary graduates were celebrated on **Commemoration Day 2023**, which marks the foundation of the University in 1451. Among the recipients were Booker Prize winning novelist **Douglas Stuart**, Olympic silver medallist **Laura Muir**, businessperson **Sandy Black**, economist and director general of the World Trade Organisation **Dr Ngozi Okonjo-Iweala**, **Mamphela Ramphele**, academic and anti-apartheid activist and Chief Medical Officer for England, **Professor Sir Chris Whitty**.



Iomairt AI a' toirt cothrom na Fèinne dhan Ghàidhlig san linn dhìseatach.

AI initiative gives Gaelic a foothold in the digital age.

Experts at the University of Glasgow are involved in a programme that has been awarded £225,000 by the Scottish Government to produce a Gaelic subtitling system suitable for the BBC.



Outlander author **Dr Diana Gabaldon** opened the **1st international Outlander Conference** at the University. Expert scholars and fans tackled conference themes such as Jacobite history, screen production, Scottish tourism, Gaelic and Scots, costume design, fandom and Claire Fraser's medicine and witchcraft.



STRATEGIES AND VALUES



WORLD CHANGING GLASGOW 2025

OUR STRATEGY: WORLD CHANGERS TOGETHER

As individuals we can achieve the incredible: together we can change the world

Our **VISION** is to be The World-Changing University

Our inventions, interventions and innovations have helped to shape the social, cultural and economic prosperity of our city, our country and civilisation itself. We have been changing the world since 1451, and we're just getting started.

Our **PURPOSE** is transforming lives through ideas and action

Our teaching inspires our students. Our research inspires the world. Working alongside one another at the forefront of discovery, our staff and students use their developing skills and new-found knowledge to educate, to heal, to fight for justice and equality, to advance global society and to flourish as purposeful individuals with the power to make a difference.

Our **MISSION** is to bring a community of world changers together

We seek the finest minds from around the world to join Glasgow's growing international University community. Drawing strength from each other, and inspiration from the people, societies and cities we serve, our diverse body of staff, students and alumni come together as one Glasgow community, driven by a unifying desire to change the world for the better.

Our World Changers Together strategy supports the long-term realisation of our vision by recognising the fundamental importance of a culture of open cooperation - not just as colleagues and mentors or students and teachers, but as a community of discovery that reaches beyond its walls and draws inspiration and strength from its connections and partnerships worldwide: excellence that's part of something bigger.

The strategy is articulated across three themes:



Community

People centred, globally engaged

- **Leading with our values** and putting our people first
- **Engaging with our civic mission** via our local and global communities
- **Strengthening our partnerships** to amplify our local impact



Connectivity

Collaboratively minded, digitally enhanced

- **Creating space to connect** through new collaborative and social space on campus
- **Investing in our digital realm** to enhance the staff and student experience
- **Adopting collaborative technologies** for frictionless and flexible work and study



Challenges

Solution focused, impact oriented

- **Embracing challenge-led research** to address the needs of global society
- **Reimagining our curriculum** to prepare students for a challenging and changing world
- **Building a sustainable future** through our research, education and actions

Key to the realisation of our vision is our continuing success within the six strategic pillars of a world-changing University. These are described in more detail at page 18.

DELIVERING IMPACT FOR SOCIETY



Integrating the University into the social and economic fabric of its host community and city region acknowledges a powerful potential to be more than just a place of learning. Our engagement, innovation and investment refresh and strengthen the deep, long-standing civic bonds which build the sense of place required for successful, competitive cities. We emphasise the reach of our research beyond the University walls and into the life of the communities we serve. Over the last year, several major initiatives have commenced across the University to embed the concept of societal benefit as a core component of our institutional approach.

Our **World Changers Together** strategy is driven by the core themes of **Community, Connectivity and Challenges** and our institutional impact over the last year has seen considerable progress across all three:

The Research Excellence Framework from 2021 recorded that 93.1% of our impact submission was rated internationally excellent or world leading. We aim to improve further on this by developing our knowledge exchange support to ensure that research impact is a core part of our overall research portfolio. This will build out from our long-standing Knowledge Exchange Fund which has provided support to a wide range of activities across the whole University and partnerships with third, public and private sector organisations of all sizes.



Across the four colleges we are developing more structured approaches to the implementation and evidencing of social impact and progress towards **UN Sustainable Development Goals** supported by dedicated impact officers and a formal system for the recognition and reward of research impact in our academic and research professional community. Furthermore, we have strengthened our college based impact support programme through securing £6.5m from UKRI to deliver a full complement of impact acceleration accounts across all of the research councils – one of only six UK HEIs in the UK to have achieved this. Our leading work on Environment and Sustainability, is recognised in the 2023 Times Higher Education World Impact Rankings where we improved our performance over the previous year, **rising 6 places to 13th out of 1,591** universities in 115 countries worldwide.

We are delivering continuous improvement through regular institutional and collective monitoring and review of our strengthening Knowledge Exchange (KE) performance. We will use this to identify, visualise and address gaps and inconsistencies in terms of data-gathering for metric-driven frameworks in continuous improvement. We are developing a more structured approach to our institutional representation on influential external sector agendas/committees to account for the impact and influence these exert. This is reported annually to the Scottish Funding Council. Collaboration is ongoing to develop a stronger integrated reporting process for research and impact measures - and the use of appropriate formats to support this.

Additionally, through our engagement with **the Knowledge Exchange Concordat**, we are developing systems to provide clear institutional examples of our KE activities and their outcomes using internal benchmarking and external reporting. This will develop a specific focus on our civic mission with regular progress reviews and reporting of impact and KE with mapping visualisations to University management. As part of our alignment with the principles of the Concordat, we will identify and address needs in policy, training, development and support for staff and students engaging in activities related to knowledge exchange, enterprise, innovation and impact.



Sharing the inspirational work of Glasgow-based African growing initiative Zam'munda - part of the Glasgow Community Food Network - and one of ten community projects to receive funding from our Glasgow Open Lab - a partnership between the University and the Glasgow Centre for Population Health (GCPH).

DELIVERING IMPACT FOR SOCIETY

A spotlight on our Sustainable Development Goals: IntoUniversity

The University's Widening Access team has launched a partnership with IntoUniversity to provide educational support to 7-18 year olds from two of the most deprived areas in Glasgow. These programmes are run in Govan and Maryhill and help steer young people to progress into higher education.

The University works closely with Glasgow City Council, local schools and agencies to offer programmes, workshops and mentoring services to University students and local professionals, and work experience opportunities.

Dr Neil Croll, Head of Widening Participation at the University, said: "Improving educational outcomes, particularly in the more deprived parts of society, is key to ensuring our society flourishes, and ultimately contributes to how we meet our Sustainable Development Goals."



Our IntoUniversity learning centres have opened in the heart of some of Scotland's most disadvantaged communities.

CONNECTIVITY



Our campus model is one that is open, inclusive and accessible as is evidenced strongly in the public engagement programme embedded within the University's new flagship Advanced Research Centre (ARC) and Clarice Pears Building - home of our Institute of Health & Wellbeing. After its first year (2022-23) the ARC now houses over 500 researchers and has hosted collaborative events which have attracted over 20,000 visitors to four public festivals and 200 workshops. Our work was recognised with two major awards at the **2023 Scottish Knowledge Exchange Awards**. As part of the Civis University Alliance, our partnership with local community groups and the Glasgow Centre for Population Health assisted a number of successful projects addressing mental health, refugees and asylum seekers and community development.

We have invested resources to strengthen our work programme in the exploitation of intellectual property and the commercialisation of academic research, academic consultancy, community economic regeneration, job creation, and development of third sector partnerships, student enterprise, and public and community access to University facilities and expertise (e.g. in the Advanced Research Centre's Level 2 and in the new Clarice Pears Building Byres Community Hub). Evidence on the social and economic impact achieved should be reflected in future within the reporting frameworks to be developed.

Major economic contributions have included the University's pivotal role in the city region Innovation Accelerator and Investment Zone. Building on our increasingly proactive approach to collaborations with external partners and strong support for research commercialisation, our Impact Acceleration Programme alone has funded 43 early-stage development projects, filed 13 patents, made 6 licensing deals, and supported the creation of 3 spin-out companies.

Achievements in the past year include support to **Women in Entrepreneurship**, the establishment of the University's first social enterprise spin-out for AI-driven kidney donor-matching, support to the Quantum Integration component of the **Glasgow City Region Innovation Accelerator**, partnership development with Roslin Institute and local partners to support the University's long standing global health partnerships in Tanzania, early-stage clinical development of new technologies for medical imaging for a range of neurological and cardiovascular diseases and an institutional partnership with the UK Government National Cyber Security Centre to establish a cross-sector Supply Chain Expert Group to protect Critical National Infrastructure.



Byres Community Hub hosts launch of 'The Public's Public Health' Exhibition within the Clarice Pears Building.

DELIVERING IMPACT FOR SOCIETY

CHALLENGES



Government policies place the HE sector as significant players in the national economic recovery as ‘anchors’ for new research opportunities, commercial collaborations, consortia and policy-making. Central to this is the concept of an inter-agency collaborative model designed to tackle major social, economic and environmental challenges as thematic ‘missions’ which catalyse joint working across the academic, civic and commercial communities.

As part of our **World Changing Glasgow strategy**, the Changing Futures initiative aims to marry our strengths across research, teaching, engagement and innovation and with the innate motivation of staff across the institution to tackle major societal challenges. Included in our plans for 2023-24 is the development of the **Carbon, Climate and Net Zero Concordat**, a strategic research collaboration between the University, the University of Edinburgh and the Scottish Government which will harness the collective research capacity and expertise of our two institutions to help accelerate the government’s progress towards net zero. This approach can be viewed as a prototype platform upon which future ‘themes’ of national importance can be layered e.g., labour force productivity and population health. This will be supported through the development of a complementary research and impact intelligence function providing data on institutional capacity, emerging clusters of strength, and cross/inter-disciplinary collaborative practice.

Collectively these actions give a sense of the wider ongoing social, environmental, cultural and political influence the University exerts through its broad and proactive engagement programme as a civic asset, economic driver and global influencer – important impacts often understated within standard management information.

Grown over many years, the relationships built, knowledge created, understandings achieved, trust sustained, and alliances forged underpin all aspects of the University’s enduring success. We recognise that these qualities are intrinsic institutional values and that these must reflect the needs of our staff, students, host city and wider world. Going forward, we will endeavour to protect, strengthen and expand these as we progress to meet the challenges of the future.



The World Changing Alumni Award 2022 awarded to Dr Nadia Maarouf (MSc2011). Nadia’s work aligns with several of the UN Sustainable Development Goals.

Festival of Ideas

To celebrate the opening of the Mazumdar-Shaw Advanced Research Centre (ARC) people from across Glasgow and beyond were welcomed into a brand-new community space at the University of Glasgow with a two-week festival of free events in September 2022. The ARC played host to the ARCADIA Festival of Ideas, featuring brass bands, a retro video game arcade, comedy and drag shows, an outdoor ceilidh, art exhibits, a virtual reality celebration of Robert Burns, and much more.



A wide range of research was on show during the festival, including the University’s response to the pandemic, using quantum technologies to monitor healthcare, ultrasound, social robots, gender inequality in STEM, African film, fake news, blood-borne virus research, the art of Whistler, Colombian river stories, dementia, the return of salmon to the River Clyde, healthy ageing, and palliative care.

BUILDING A SUSTAINABLE FUTURE

As a values-based University, we are actively seeking to build a sustainable future through our research, education and actions. We will:

- actively adopt and advance the United Nations' Sustainable Development Goals (SDGs)
- create greener, healthier and more sustainable campuses within our communities
- evolve our operations and ways of working to meet our commitment of being carbon neutral by 2030

In this section, we set out some highlights from our major successes in advancing the **SDGs** and in changing our day-to-day working practices to achieve our ambition of becoming **carbon neutral by 2030**.

Centre for Sustainable Solutions

Our **Centre for Sustainable Solutions** was launched in April 2020 and has continued with its work in enabling individuals, communities and organisations to move towards a sustainable future through education, research and partnership and of supporting interdisciplinary, cross-campus and cross-sectoral solutions to climate change. The Centre has been leading or co-leading on the following projects:

Carbon Footprint Tool

The Centre has developed a simple Excel-based tool to help academic members of staff at the University of Glasgow to determine the carbon footprint of either a research project or group.

GALLANT - Glasgow as a Living Lab Accelerating Novel Transformation

In partnership with Glasgow City Council, the University is working on a £10.2m research programme: GALLANT. University researchers are helping the city move towards climate resilience whilst tackling health, social and economic inequalities.

Scotland Transition Lab

This is a collaboration between North Star Transition and the Global Soil Health Programme under Professor John Crawford in the University's Adam Smith Business School - it provides a potential mechanism to challenge the current status quo on how to manage food and its connections to land, health, environment and financial impacts.

Sustainable Laboratories

The Centre gained funding for the S-Labs: Sustainable Laboratories at UofG project, and has affiliated with UCL to bring the Laboratory Efficiency Assessment Protocol (LEAF) to the University. LEAF is a tool that will help our laboratories to assess and reduce the impact of their activities on the environment.

UrbanByNature Scottish Hub

UrbanByNature, a facilitated capacity-building programme created by ICLEI Europe, promotes exchange among cities, researchers, SMEs and NGOs to build bridges with the nature-based solutions communities across Europe, Asia, Latin America and other interested regions. Glasgow hosts the Scottish hub.

Sustainability in Learning and Teaching

The UofG Sustainability in Learning and Teaching Community of Practice aims to be a hub of multi-disciplinary connections that lead to learning and teaching activities and practice aimed at transforming the University from the inside out.

THE Global Sustainable Development Congress 2022

In November 2022, the University partnered with Times Higher Education (THE) to host the inaugural Global Sustainable Development Congress. The Congress brought together a range of experts from across higher education, government and the private sector to explore how we work together to build a more sustainable future. The Centre for Sustainable Solutions and GALLANT participated in the conference by representatives speaking on panels, exhibiting project work and co-hosting side events.



BUILDING A SUSTAINABLE FUTURE

Our contribution towards the UN's Sustainable Development Goals

In June 2023, Times Higher Education published its 2023 findings on the performance of Universities globally against the 17 Sustainable Development Goals (SDGs) which were adopted by the UN in 2015. The University's ranking places us **13th in the world, out of 1,591 institutions.**

Our **top ten SDGs** included:



Make cities and human settlements inclusive, safe, resilient and sustainable



Promote peaceful & inclusive societies for sustainable development, provide access to justice for all and build effective, accountable inclusive institutions at all levels



Strengthen the means of implementation and revitalise the global partnership for sustainable development

"While we can rightly feel proud of our performance in this year's THE Impact Rankings, we realise that if we wish to continue to be global leaders and meet our own ambitious strategic commitments, we cannot stand still. Our commitment to addressing socioeconomic and health inequalities in the city and beyond, and our commitment to implementing our Glasgow Green Strategy and the University's Carbon Management Plan, will see us maintain our performance and reputation."

Professor Sir Anton Muscatelli, Principal and Vice-Chancellor of the University of Glasgow

In November 2022 we published our second comprehensive annual publication assessing our contribution in the delivery of the UN SDGs. A few **inspiring examples of our contribution to the SDGs** are set out below and a full copy of the report is available at: https://www.gla.ac.uk/media/Media_894980_smxx.pdf

<p>We are represented on the Board of the Poverty Alliance, a national anti-poverty network in Scotland</p>	<p>Our postgraduate programme in Food Security is accredited by the Royal Society of Biology and is 1st in the UK for Food Science (Complete University Guide 2023)</p>	<p>A professor from our School of Health & Wellbeing led the EU-funded consortium EuroFIT, an effective and cost-effective lifestyle change programme for men to increase physical activity</p>	<p>Delivered by experts in our Medical School, the Glasgow Access Programme (GAP) supports learners from under-represented backgrounds to access the medical profession</p>	<p>A group of female academics from our College of Science & Engineering lead on the cross-sectoral visNET project</p>
<p>Our MSc in Environmental Futures: Sustainable Solutions incorporates recent advances in ecology and the restoration of river, coastal and lake environments</p>	<p>Renewable energy generation technology is installed in all new main buildings, including photovoltaic solar panels in the Sir Michael Stoker, Mary Stewart, JMS and ARC buildings</p>		<p>We have partnered with Scotland Against Modern Slavery and exploitation to support their mission to eradicate all forms of human trafficking and exploitation in Scotland</p>	<p>We are a key player in the city's ambitious plans for the regeneration of the River Clyde and in the development of a Glasgow Riverside Innovation District (GRID)</p>
<p>Our Equality Champions focus on issues including age; disability; gender; LGBT+; race; religion; belief; refugees; and mental health</p>	<p>The Centre for Sustainable Solutions offers various courses and events that are accessible to anyone with an interest in tackling climate change</p>	<p>Our Dumfries campus is home to the National Centre for Resilience (NCR) which works with others to build Scotland's resilience to natural hazards</p>	<p>From September 2023 we have fully divested from fossil fuels which means that Court has met its target of full divestment by 2024</p>	<p>We are part of the UK Universities Climate Network, a group of over 80 UK-based universities and research centres working together to deliver a low-carbon, resilient world</p>

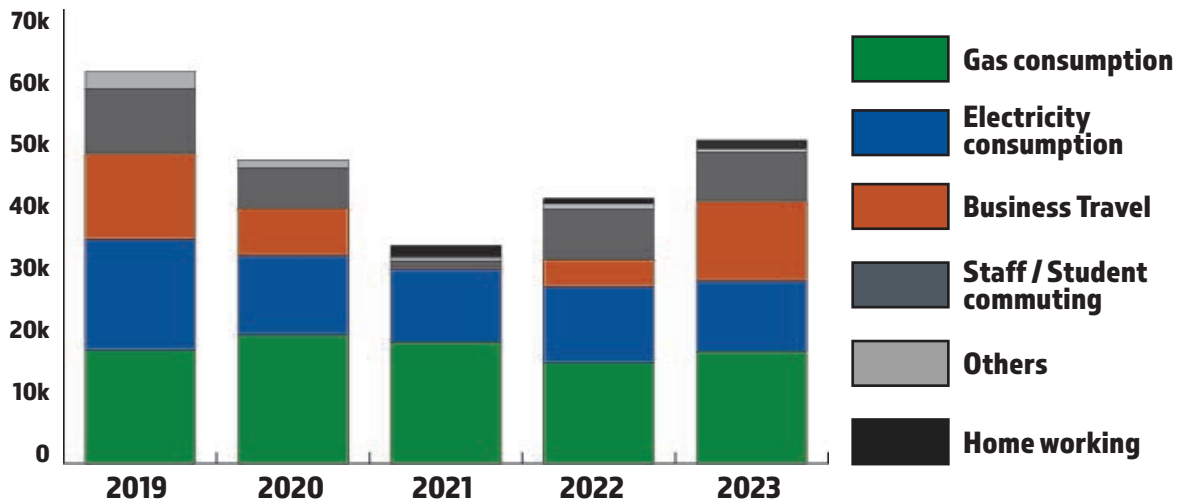
BUILDING A SUSTAINABLE FUTURE

Our ambition of achieving carbon neutrality by 2030

University of Glasgow Carbon Footprint (2019 - 2023)

The graph below shows the University's Carbon Footprint Breakdown based on the four most recent returns submitted to the Scottish Government plus the current year data to 31 July 2023. The biggest changes in the 2022-23 carbon footprint, when compared to the previous reporting year, relate to a further post-pandemic rebound in business travel, increased gas consumption reflecting the additions of new buildings, the extent to which we have used our CHP engine to generate heat and electricity and an increase in emissions from homeworking.

Emissions (Tonne CO₂e)



Carbon Management Plan

A new Carbon Management Plan was published by the University in November 2022 which outlines plans to reach net zero for greenhouse gas emissions by 2030/31 and deliver on **Glasgow Green**, published in 2020, which is our response to the declaration of a Climate Emergency.

The University has committed to significantly reducing its carbon footprint and achieving net zero by 2030/31.

Specific targets for reducing carbon emissions include:

- Improving the energy efficiency of our buildings
- Establishing alternative renewable energy sources for our estate
- Enhancing infrastructure to encourage active travel
- Reducing business travel

“The Carbon Management Plan is the next step in this journey to net zero and sets a clear strategic direction for the University. I look forward to working together with colleagues and students to help us achieve our targets.”

David Duncan, Chief Operating Officer and University Secretary

The University is already taking steps to reduce its carbon footprint, including significant improvements to our existing estate to enhance energy performance as well as better building management practices and space utilisation across our campuses. We are also supporting our community to manage their own carbon footprint by offering training and education for colleagues and students, supporting hybrid working patterns and implementing sustainable laboratory training.

The Carbon Management Plan is not a stand-alone document but works in unison with other University plans and strategies, to help deliver our **Climate Change Strategy**.

OPERATING REVIEW



VISION IN ACTION 2023

Key to the realisation of our World Changers Together strategy is our continuing success within the **six strategic pillars** of a world-changing University:

- **World-Class Research**
- **Outstanding Teaching**
- **Lasting Impact**
- **Global Perspective**
- **Life-Changing Experiences**
- **Inspiring People**

In the following pages we have included an overview of our progress within each of the six pillars in academic year 2022-23:

World-Class Research

Context

Our researchers are drawn from the best of global academia. Whether working side by side, in cross-disciplinary teams or as part of large-scale multinational efforts, they are advancing the frontiers of knowledge and discovery - and bringing world-changing impact within reach.

Update

The Research Strategy 2020–2025 has a simple message: by working in teams, building on each other's ideas, and making Glasgow the best place to develop a career, our research transforms lives and changes the world. Projects and investments will be focused on fulfilling three priorities: Collaboration, Creativity and Careers.

The Mazumdar-Shaw Advanced Research Centre (ARC) represents a £117m investment in our research infrastructure and is, in many ways, the physical embodiment of this strategy. The ARC is becoming the creative and collaborative heart of cross-disciplinary research of the University, and is playing a key role in delivering the aims of the strategy. As well as a resource for the whole University research community and showcasing our research to the public, the ARC houses a broad range of projects and research in five themes:

- Technology Touching Life
- Global Sustainable Development
- Quantum Technologies
- Creative Industries
- Cultural Transformation, and Digital Chemistry.

The outcome of the Research Excellence Framework in 2022 (REF2021) showed that the quality of the University's research has improved, with 93.1% of its research assessed as world leading or internationally excellent. The Times Higher Education ranked Glasgow as 13th in the UK (and 1st in Scotland) based on research quality, representing a significant improvement from 25th in 2014. This strong result reflects the quality of our researchers and the research they undertake, the impact of that research and the quality of the research environment.

93.1% of the University's research is assessed as world leading or internationally excellent

The University continues to support our Schools and Colleges to ensure that our academic disciplines fulfil their potential in all aspects of the research portfolio, ensuring a thriving research environment and positive research culture that continues to emphasise quality over quantity. At the same time, we also continue to build our capacity for cross-disciplinary, collaborative research that transcends disciplinary boundaries and seeks to address complex problems posed by global social, economic, ecological and political challenges.



Lab research being carried out at the Mazumdar-Shaw ARC.

VISION IN ACTION 2023

Research grants continue to be critical to supporting our world-class research. In 2022-23 we attracted the greatest ever value of research awards - £221m which was 44% greater than the year before, which was significantly affected by the pandemic.

In 2022-23 we attracted the greatest ever value of research awards (£221m)

This improvement is a strong indicator that the measures put in place to mitigate the impact of the pandemic, and ensure the sustainability of our research base, is having a positive effect.

The establishment and delivery of the University's Talent Lab represents another key action to support our

researchers and their careers. The Talent Lab is a new concept that currently houses six diverse development programmes that all focus on developing leadership in research and which are tailored to different career stages.



Digital chemistry labs within the new Mazumdar-Shaw ARC.

Outstanding Teaching

Context

Our internationally renowned degree programmes are shaped by our rich, dynamic research environment which connects learning with global challenges. With an increased focus on new approaches to teaching that support students' skills and development, we work in partnership with our students to co-create knowledge and to develop the next generation of global thinkers and leaders enabling students to make contributions to culture, society and the economy during and after their University lives. Investing in our physical and digital infrastructure, our world class learning environments include the recently completed James McCune Smith Learning Hub and Mazumdar-Shaw Advanced Research Centre.

Update

Performance against target is detailed below. Data are not yet available for all measures in 2022-23.

- **Student Progression:** The University progression KPI had a sharp peak of 92.1% in 2020-21 whilst a no-detriment policy was in place. A fall in undergraduate progression was then observable in the 2021-22 data, down to 87.9% which was in line with pre-pandemic position. The University has set a target of 90% for student progression. There are a number of work streams underway to help enable improvement towards this target.
- **Student Satisfaction:** The University achieved an overall satisfaction score of 77.5% in the 2023 National Student Survey (NSS) and results are being used to help inform action plans across the University in the coming academic year. The NSS survey has changed significantly for 2023 in terms of the questions asked, the response scales and the fact that the overall satisfaction measure has been removed for English universities. Therefore

the Institutional KPI is being reviewed to ensure continued relevance in a UK context although we anticipate that it will take at least 2 years for the new survey results to stabilise and to be meaningfully understood and interpreted.

- **Entry Requirements:** Our entry tariff increased from 206 to 212 UCAS points in 2021-22 which is one of the highest in the UK.
- **Widening Access:** The University's proportion of widening access students has increased steadily in recent years and is currently at its highest level ever.

We improved to 29th place in the 2023 Times league table rankings for Graduate Employability

- **Graduate Employability:** This KPI is taken from

VISION IN ACTION 2023



Maths & Statistics workshop to help students understand concepts and analyses.

the Graduate Outcomes survey and the University's UK rank improved from 36th to 29th in the 2023 Times league table rankings. Our ambition is to climb from our current position into the top 20 in the UK.

- **Undergraduate Mobility** saw 10.8% of the final year cohort of students confirmed as having had an international experience in 21-22. In-country student mobility was decreased due to travel restrictions associated with the pandemic. Whilst the numbers are beginning to recover, financial concerns create new barriers to student involvement in this activity. The costs of mobility (travel, accommodation, subsistence) have increased, and students have been disproportionately impacted by inflation in the UK. We remain committed to increasing international opportunities both in-person and virtually over time and addressing barriers to engagement.

Having moved all teaching and assessment online during the pandemic, the focus for 2022-23 has been to revert to an on-campus experience whilst retaining many of the benefits of online learning experiences and learning resources created during the pivot to online. For example, ongoing licensing of software to support laboratory practice prior to attending an on-campus laboratory class. Emphasis on course re-design, and the increased provision of collaborative learning spaces, are supporting a growing adaptation to new forms of teaching that are underpinned by peer-peer interaction and teamwork, in turn allowing alternative approaches to skills development.

For undergraduate students joining in 2021-22, we ran a new inter- and multi-disciplinary course – T2G: Transition to Glasgow – to help prepare our students for their studies. We had 833 incoming first-year students take part in T2G with overwhelmingly positive

feedback, and ran the second year of the course in 2022-23 with expanded provision for mental health and well-being and for successful studying at the University. In the second year, we had over 900 incoming first-year students take part in T2G. T2G's third year was run in August 2023, and offered students the choice of an online or in-person course experience.



Studying in the James McCune Smith Learning Hub.

Assessment continues to change. Firstly, building on the experience of pivoting all assessment online since March 2020, there has been a continued commitment to online assessment though with some disciplines (e.g. Mathematics, Statistics, Physics, Economics) requiring some on-campus examinations in order to ensure exam integrity for their formula and solution-based examinations. Many redesigned exam formats have remained online in other disciplines and we welcome this practice. The recent launch of generative AI tools (Chat GPT in particular) has prompted further thinking and action around assessment design and with that, the need for continually evolving guidance for staff seeking to adapt assessments to take account

VISION IN ACTION 2023

of appropriate, and inappropriate, use of generative AI. Much of this thinking aligns well with our recently launched Learning Through Assessment Framework which sets out expectations concerning changes to assessment.

The University is continuing to experience strong demand for its places

The University's overall 2022-23 FTE intake fell compared to 2021-22 for new undergraduates (-2%), increased for taught postgraduate students (+8%) and increased marginally overall for enrolled undergraduates (+0.04%).

The University adopted a prudent approach to the 2023-24 intake reverting to the pre-pandemic model for most programmes commencing in September. Indications of the actual 2023-24 intake numbers are that International PGT will be lower than expected and corresponding amendments to the intake process are being actioned to return the University to previous managed growth numbers for subsequent years.

Lasting Impact

Context

Our discoveries are only the starting point. Major societal challenges require creative solutions and novel collaborations – new ways to embed and communicate our research and teaching to provide the skills and influence to make a positive difference at the local, regional and global level.

Update

Measurement and reporting is key not only to evidencing this impact but to building the knowledge base required to deploy our expertise and people proactively and strategically. We have developed robust management information processes and reporting which allow us to understand and improve the positive effects of our work. Our emerging Glasgow Changing Futures initiative will seek to find solutions to societal challenges, enabled by cross-disciplinary research, innovation, education and partnership, with an initial focus on health inequalities and sustainability. We continue to strengthen our approach around the key principles of the United Nations Sustainable Development Goals - an approach validated by our global ranking as a leading University in how we structure our support for social, economic and environmental sustainability - 13th out of 1,591 universities in 115 countries worldwide in the 2023 THE impact rankings.

We are building our institutional strengths within our city region economy - directing our research towards commercialisation, investment and societal and economic benefit through our pivotal role in the innovation ecosystem. The Scottish Government has announced the Glasgow Riverside Innovation District (GRID) as Scotland's first whole-system demonstrator, committed to supporting the establishment of a series of real-world innovation test beds. This major initiative, known as 'GRID Discovery' will identify a number of R&D collaboration projects with industry partners, government bodies, academics and communities. The exciting new programme will draw on the University's world-leading research capability and expertise to help

drive impactful innovation, at pace.



The University is a key player in the city's ambitious plans for the regeneration of the River Clyde and in the development of a Glasgow Riverside Innovation District (GRID).

We have made significant investment in our knowledge exchange activities supporting our four Colleges in co creating and sharing their research findings within the wider civic, social, commercial and policy networks around us. We continue to invest in our campus as the physical focus of our work with the opening of major facilities for learning and teaching, advanced research and societal engagement embedded as a priority within that campus development. The University understands and anticipates its need to evolve in a rapidly changing environment. Its structure, purpose and mission must reflect the needs of our wider society and economy. Our ability to adapt, plan and respond is at the core of our values and key to our relevance in a changing world.

Link to impact rankings:

<https://www.timeshighereducation.com/impactrankings>

VISION IN ACTION 2023

Global Perspective

Context

Our extensive international network of people and partnerships enables us to connect and collaborate with leaders across academia, industry and society. In doing so, we develop a truly global understanding of the world's most pressing problems and grand challenges – and the means and relationships through which we can use knowledge to make an impact.

Update

The University has enjoyed strong international student growth over the last five years, with record numbers joining the University in recent years despite the challenges faced by the global pandemic.

In the most recent Reputation Rankings, Glasgow reached our highest ever position of 107 in the world

Our new International Strategy, Global Glasgow 2025, was launched in 2022, and set out ambitious objectives for internationalisation across the four pillars of global research, global relationships, global reputation and global recruitment. There is a continuous drive to attract international talent to the University, to increase successful international research funding bids, to develop international partnership across learning and teaching, research, and innovation, and to improve the University's global reputation in support of increasing the University's Reputation rank position in the world to enter the top 100. In the most recent Reputation Rankings, Glasgow reached our highest ever position of 107 in the world.

Optimising network activity has been a key focus of our partnership activity, and in addition to being founding members of Universitas 21 and The Guild for European Research Universities, Glasgow has become the only UK university to join the CIVIS European University Alliance as an associate member. CIVIS has recently been awarded a further 14m euros by the European Commission for the next four years of collaborative activity, though as a result of Brexit, the University cannot directly draw down on this resource. This year, the University also became a member of UArctic, a network of universities, colleges, research institutes and other organisations concerned with education and research in and about the North Pole.

The International Education Strategy due to be launched by the Scottish Government is intended to ensure Scotland remains open and welcoming for learners from across the world and will seek creative approaches to student mobility, particularly for EU

learners post-Brexit. The University has successfully been awarded funds from the new Turing Scheme to support outward, international student mobility.

The strength of Scotland's international education connections is a key driver of our strong research standing and ambitions to be an innovation driven economy, but Scotland's international research reputation is built and sustained by funding from our non-publicly funded teaching. The Scottish Government's new International Education Strategy should recognise that a reliance on non-publicly funded teaching is a key risk which must be managed. Also, given that internationalisation supports growth and delivers economic benefit to the Scottish economy, this International Strategy should go hand in hand with the Scottish Government's new 10-year strategy for economic transformation.



A delegation takes part in graduation ceremonies at Nankai University and Glasgow College UESTC.

This is mission critical as there is no doubt that the environment for international education is evolving. There are a number of important trends that we need to monitor as an institution. First, geopolitics and student flows from the most important markets to the UK. Second, the need to diversify and develop new markets that are more price-sensitive and require the development of partnerships, and more bespoke programmes. Third, the need as a world-changing University to attract the very best talent from around the globe. These developments will require major investments in our international strategy, and new approaches to international student recruitment and marketing in a post-pandemic world.

VISION IN ACTION 2023

Life-Changing Experiences

Context

Post-pandemic, it is all the more clear that students desire a meaningful on-campus, digitally enriched experience in all aspects of their student life. There has been a renewed focus on the Student Experience through the launch in 2022 of our inaugural Student Experience Strategy, and an associated emphasis on wellbeing and opportunity among other aspects. We curate an enriching world of social events, sport, volunteering, internships, international experiences and more in which students can connect, develop new skills and enhance their prospects. More importantly, we give them the space, time and guidance to forge their own path as part of student-led activities such as volunteering and student societies are encouraged and supported.

Update

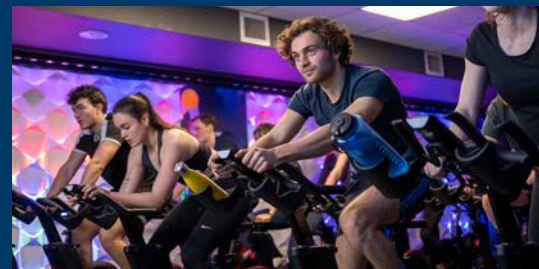
The increased engagement with on-campus activity post-pandemic has been reflected in teaching and in student study and wider activities. We hosted a blended programme of fresher's events in September 2022 with the Students' Representative Council, the student unions and Sports Association all playing key roles in shaping and delivering that programme.

The entire University community has pulled together to support one another as we resumed a full on-campus experience from September 2022 into 2023. Many student services that moved online in March 2020 have now adopted a mixed model of support in response to student feedback, offering some online service elements but with on-campus provision where it is needed. This allows students choices where appropriate around service access.

In the University's Strategy we make a commitment to transform the student experience and prepare students to lead successful future lives and careers. We provide students with fulfilling, rewarding and enriching co-curricular experiences, that will help them to understand and make their distinctive contributions to the world. More importantly, we commit to giving students the support to forge their own paths. Our first ever Student Experience Strategy commenced in 2023 to start delivering this priority commitment. The strategy comprises a portfolio of projects that over the next two years will start to provide students with a wider range of opportunities to pursue their social, volunteering and community interests, whilst expanding the array of support available to them throughout their student journey. This will have a particular focus on wellbeing, inclusion, and belonging, enabling them to better connect, develop new skills, and enhance their experience and prospects.

Students continue to benefit from the ongoing enhancement of our digital infrastructure with the virtualisation of desktop services introduced during the pandemic being extended and embedded into

student induction and learning. This allows students to make greater use of the campus-wide study and teaching spaces as specialist software can be accessed through virtual desktops rather than being dedicated to particular desktop machines. Our IT ecosystem has grown, supporting more applications and tools for teaching in response to student and staff demand and the creation of a new tech-bar has just been approved and will be developed over the coming months.



Students attending a pulse class in the Stevenson Building.

Similarly, we continue to invest in the physical infrastructure with upgraded sports facilities recently opening in the Stevenson Building, and with ongoing enhancement of catering and informal learning spaces. Student experience data from the James McCune Smith Learning Hub shows that our ambitions to create a 'sticky building' that will provide particular support for 1st year undergraduate students (those most at risk of dropping out of their studies) is meeting those needs with the largest user group (at 88% of users) being 1st year undergraduates, and with the majority of students staying in the building for between 1-6 hours (51% for 1-3 hours and 28% for 4-6 hours) and with students making good use of the booking facilities available for them to book space and use teaching rooms during non-teaching time.

VISION IN ACTION 2023

Inspiring People

Context

FY 2022-23 has been a highly productive year for the People & Organisational Development (P&OD) function, in which we continue to make progress in embedding the University Values aligned with our strategy with a particular emphasis on our Inclusive Community priorities through multiple Equality, Diversity and Inclusion (EDI) imperatives; shaped a future operating model for our service designed to markedly improve the user experience into the next strategic planning period; faced constructively into a challenging industrial relations landscape both nationally and locally; and continued to attract, engage, nurture and develop talent across all job families.

Update

Our value of working to develop and be part of an inclusive culture sets a high bar on our behavioural expectations of colleagues aligned with our values-led community. We have continued working towards our Diversity KPIs with percentage representation as follows: senior women at 32.8%; UK Black, Asian and Minority Ethnic colleagues 4.9% and colleagues who have declared a Disability 5.3%. We also push for improved diversity declarations through our enterprise management system. Addressing racial harassment has been advanced through an ambitious cross-campus campaign entitled Together Against Racism – showcasing microaggressions and overt racism and supported by detailed web resources and a manager pack, including racial literacy glossaries, details on allyship, and conversations guides as well as directing our community to reporting tools. We also launched an “Active Upstander” bitesize development session.

In December 2022, the University published the KC-led report ‘Independent review of the University’s approach to addressing Gender-Based Violence’ and has been implementing a wide-ranging action plan based on its recommendations across a range of functions. We also launched a new behavioural Code of Professional Conduct for employees. P&OD has reviewed the report and developed a framework to support the wider impact of harassment/bullying allegations, as these can affect a workplace beyond those directly involved.

The University has set out to fully embed flexible and hybrid ways of working across our Campus

Aligned with the P&OD Strategy and our professional service excellence aspirations, we have shaped a future operating model and longer-term vision for our P&OD function. These draw on the ‘Ulrich’ model and UK Civil Service global HR design that operate effectively in other large-scale organisations, setting a new standard and future direction for user-centric people related services.

Full adoption will fundamentally require a new forward-looking mindset and capabilities, separating the way we undertake transactional activities and strategic transformative capabilities, enabled by systems, processes, people and greater self-service than is currently the case. Ultimately this will require substantial investment in our technology platforms and will include the introduction of new technology capabilities that will extend into our next strategic planning cycle.



The University launched Workspace Futures 2030, an ambitious programme aimed at reimagining work environments and promoting innovative and effective ways of working.

The economic challenges experienced across the UK continue to impact upon us at a local level. These have resulted in sustained industrial unrest, which has taken time and resource from our work to build upon our ambitious strategy, such as the Career Pathways Project and Revised Pay Structure Plans - the latter paused as a result of the current national dispute. The Career Pathways project aims to provide a supportive environment where professional services colleagues can drive their development and career, with full support and guidance from their line managers within an enabling landscape.

The development and introduction of the new Career Pathways across our professional services job families will be underpinned by job evaluation and a series

VISION IN ACTION 2023

of generic job descriptions. We anticipate utilising a technology-based platform to support colleagues to define their career pathway and navigate the layers of support, guidance and tools that will be available.

We have action plans across the University that respond to themes highlighted in our Colleague Engagement (CE) survey in October 2022. P&OD colleagues have developed a cross-institutional view of work conducted to date, to understand our progress towards our strategic Engagement KPI and share good practice across the University. Early preparations are underway for the next iteration of our CE survey scheduled for October 2023 in accordance with our annual schedule.

Our People First/Enabling New Ways of Working

We are also committed to exploring neurodiversity considerations in how we implement hybrid and agile working practices

(NWoW) group was established over two years ago for the purpose of exploring the integration of a hybrid working environment in the early post-pandemic phase. It has seen considerable progress in embedding hybrid and agile working practices, providing more choice and flexibility to colleagues across the University. The NWoW group is reviewing progress to date with a view to implementing any outstanding actions over the next six months, beyond which these will be mainstreamed into 'business as usual' activities. We actively seek ways to address concerns highlighted in our colleague engagement surveys, particularly those related to perceived inequity. We are also committed to exploring

neurodiversity considerations in how we implement hybrid and agile working practices.

While the recruitment market remains significantly competitive, we continue to attract highly talented external candidates through various talent attraction strategies alongside developing our own internal talent pools. The success of our internal executive search capability continues to grow with increasing interest and demand for this service. We successfully piloted automation in our University recruitment process thereby leading the way for other service providers. The implementation of these automated processes has released valuable time back to focus on value-add solutions, service delivery and service excellence projects.

Organisational Development leads on a number of areas within University Services' "Working Better Together" programme, notably Communities of Practice; piloting development and assessment centres; our future operating model, including strategic business partnering and related technology enhancements; a new graduate development programme; and wider roll-out of our mentoring and coaching provision. We have developed a new programme "HeadStart", designed to support incoming Heads of School, and also launched new development centres on Presenting and Communicating Confidently and Leading An Effective Team.

Following the launch of the Health and Wellbeing Portal we embarked on a change management project to transition the current Occupation Health team into a broader Health & Wellbeing service, which aims to provide a holistic approach where the many different aspects of wellbeing are embedded in what we do, thus ensuring that positive wellbeing is at the heart of the colleague experience.



This campaign was part of the Understanding Racism Transforming University Culture (URTUC) report and action plan, the aim within the campaign was to focus on individual experiences of racism, and highlight how students and colleagues can report experiences, and how to develop allyship.

MAJOR PROJECTS

Investment Plan for Estates, Sustainability and Information Technology

By the end of its current 15 year Investment Plan the University will have invested £2.5bn in buildings, infrastructure and Information Technology, ensuring that our campuses meet the ever-evolving needs of our community.

A summary of the main projects is shown below along with current costings (these are subject to inflationary changes and adaptations to plans):

Area	Project	Budget Spend
ESTATES		
	James McCune Smith Learning Hub	£100m
	Mazumdar-Shaw Advanced Research Centre	£117m
	Clarice Pears Building (Institute of Health & Wellbeing)	£51m
	Adam Smith Business School	£97m
	Infrastructure	£77m
	Future New builds	£213m
	Other Estates projects	£490m
	Maintenance Projects	£630m
SUSTAINABILITY		
	Sustainability*	£70m
INFORMATION TECHNOLOGY		
	Systems, Networking and Infrastructure	£316m
	Other IT projects	£38m
	Transformation	£61m
	IT Maintenance	£260m
TOTAL SPEND PER 15 YEAR INVESTMENT PLAN		£2.5bn

*This budgeted spend is for new innovations in sustainability and there is additional sustainability spend included within Maintenance Projects which relates to improving sustainability within our current estate.

MAJOR PROJECTS

Existing Estate and Campus Development

2022-2023 was a successful year which saw the completion of two state-of-the-art academic buildings, along with the associated public realm in the Western Campus. We also commenced the enabling works for forthcoming developments in vacant plots, in anticipation of the future needs of the University.

Under the Custodian strategy theme, a record £50.2m was allocated to preserve, restore, and maintain our existing estate. By 2023, we had completed a substantial refurbishment, investing an additional £5.7m in the historic terrace houses at University Gardens. Alongside this, a 15-month refurbishment project for Hillhead Street commenced, ensuring the University's architectural legacy is protected for future generations.

Due to the age and ongoing maintenance required on our estate, a further £330m of funding has been allocated to

invest specifically in backlog maintenance and lifecycle works over the next 15 years. As part of this prioritisation of the maintenance of our estate, we have entered into a strategic partnership with CBRE, our new Maintenance and Repairs contractor. This redesigned relationship places emphasis on the speed and quality of work and will ensure our estate is well looked after.

Furthermore, we established a new Sustainability Department dedicated to advancing the University's Glasgow Green strategy, and consolidated our Development and Project Management teams to ensure closer cooperation on campus development and refurbishment.

Finally, we launched the Workspace Futures programme, reimagining our office spaces to facilitate innovative work methods, with its inaugural project focusing on University Services.

Opening Clarice Pears Building

In 2023, we completed the Clarice Pears Building. This contemporary facility now serves as a new home for the School of Health & Wellbeing, bringing together multiple research groups and consolidating staff from ten different city sites, all dedicated to addressing societal challenges.

The £51m building has been designed to foster collaboration, enabling the University to establish closer relationships with external partners such as the NHS, the government, the voluntary sector, and the broader industry. Such partnerships are crucial in translating research into tangible policy changes and practices, which inform and impact health outcomes.

The ground floor of the Clarice Pears Building houses a welcoming and accessible public area, purposefully designed for knowledge exchange and community engagement. This space incorporates an interactive exhibition space, complemented by an adjoining café. The University has already welcomed school groups and facilitated community engagement sessions in this space, reinforcing the University's commitment to widening participation goals.



Extensive Public Realm in Western Campus

The Western Campus development is accompanied by extensive public realm and supporting infrastructure. The £77m investment delivers services and infrastructure essential for the new buildings, including IT, drainage, and utilities. Crucially however, it also aims to establish the new campus as an integral part of the city, benefiting both local and University communities. The public realm, which includes St Mungo Square, defines the Western Campus and is designed to provide clear public access, outdoor seating, well-lit direct pedestrian routes with covered walkways, and green landscaping, creating a relaxing outdoor space.

MAJOR PROJECTS

Adam Smith Business School

We completed the Adam Smith Business School and Postgraduate Hub, which opened in September 2023. This state-of-the-art building will serve as a first-of-its-kind interdisciplinary hive for our postgraduate students, whilst offering top-tier facilities for the Adam Smith Business School. Representing an investment of £97m, the building is designed to bolster collaborative research, industry linkages, and a broad spectrum of learning and teaching approaches, delivering world-class student and academic experiences.



University Gardens Refurbishment

In early 2023, an 18-month conservation project aiming to protect and restore the historic terraced houses on University Gardens was completed. The buildings were originally used as private residences and now house the University's College of Arts. The listed buildings, originally built between 1880 and 1900, required vital work to improve their wind and waterproofing, as well as their long-term efficiency. Over the course of the project, we replaced 100 tonnes of natural stone, 1,000 slates, overhauled and draft-proofed over 450 windows, and repaired and rebuilt numerous chimneys and gutters. Completing the work on University Gardens marked a key milestone in the Estates 2025 Strategy and contributed to our Custodianship theme; investing in protecting, restoring and conserving the built environment of our University campuses.

Workspace Futures 2023 Programme

We launched the Workspace Futures 2030 Programme in Spring 2023, a university-wide initiative to reimagine work environments and promote innovative and effective ways of working. The programme aims to align our workspaces with the University's strategy, reflecting our vision for the University of Glasgow as a world-changing institution.

We embarked on the first phase of the project, which focuses on the University Services office spaces. Throughout this collaborative and inclusive project, we are considering how we can improve space utilisation while nurturing a strong sense of community and driving innovation through physical infrastructure.

CBRE Partnership

In 2023, University partnered with CBRE as our new contractor for property maintenance and repair. The five-year contract, which commenced in April 2023, aims to deliver improvements in mechanical, electrical, and plumbing works, in addition to building fabric and building management systems. The partnership is an important step in the Estates 2025 strategy, which seeks to invest and maintain the existing estate through its Custodianship theme.

Skabara Labs

The Skabara Labs project saw the refurbishment of lab facilities within an A-listed building. Housed in the C-wing of the Joseph Black Building, the Skabara labs are essential chemistry lab facilities for Professor Peter Skabara's research group. The £3.5m project began in June 2022 and was completed in July 2023. It included new roof fabric, glazing, roof plant and fume cupboards, improving the building's long-term energy efficiency for years to come. The project also presented an opportunity to upgrade the mechanical and electrical fittings, improving energy efficiency with reduced 'energy fume' cupboards and LED lighting.



MAJOR PROJECTS

Sustainability

With the University's commitment to net zero carbon by 2030/31, our estate management and all projects are being scoped and delivered with a view to enabling the goal. Budgeted spend is £70m to deliver on this global challenge.

The University has recently agreed a Carbon Management Plan that outlines a programme of works to meet our target. This will involve works to reduce energy demand within buildings, alternative renewable energy sources and infrastructure to encourage active travel.

Information Technology

The scale of transformation in Information Services is significant, with investment closely aligned to the University's ambitions to grow and transform the IT infrastructure across the campus.

To tackle maintenance debt, the University is committing to the upgrading of critical IT infrastructure campus wide, resulting in facilities that are more resilient, carbon efficient, secure and maintainable. This will include an extensive lifecycle maintenance programme which will target a refresh of obsolete infrastructure and allow the University to continue to invest in software maintenance.

Systems, Networking and Infrastructure (£316m)

• Information & Security

With increasing numbers of HEIs compromised by threat actors, Information Security is a key risk to manage, and the University is committed to making significant improvements in this area. By achieving a step change in our approach, we not only protect staff and student data from threat actors, but also develop better cyber hygiene for our community that will flow into their personal lives. In addition, research councils are increasingly seeking stronger statements on cyber security, and this programme will support our researchers in securing funding through strengthened bids.

Annual Update

During 2022-23 the University has prioritised investment in four key areas:

a) Multi-Factor authentication (MFA)

An extensive programme commenced to roll out MFA across all student and staff devices to add additional layers of security, secure remote working and give the University more control over who accesses its data.

b) Threat intelligence & vulnerability management

The University has made significant investment in our threat intelligence, ensuring that we have access to real time data to track threats, respond, plan and make changes to University systems and data.

c) Threat detection & incident response

A commitment has been made to 24/7 threat detection and response support to ensure the University can quickly respond to attacks and plan appropriately.

d) Education & awareness

An education and awareness campaign has been launched to equip our students and staff on how to detect and respond to cyber-attacks both in their personal and professional lives.

• Infrastructure as a Service

This programme will directly enhance the student and staff experience by providing better data centre facilities (i.e. more resilient, better carbon efficiency, more maintainable, more secure), and scalable capacity in our infrastructure to be able to embrace emerging requirements from key stakeholders across the University.

Annual Update

During 2022-23 the University has made a step change by investing in a Co-Location data centre facility.

• Networking

The focus is on delivering a wi-fi first approach to bring connectivity throughout the campus that is available, secure, and flexible for all staff and students. We are committed to increasing the number of access points on campus to support new ways of working, and to allow students to study effectively in any location on campus. Network Security is intrinsic in minimising the Cyber Security risk and this programme will bring tighter controls to our network.

MAJOR PROJECTS

- **Corporate Systems**

This programme encompasses investment in key corporate systems that will enhance the experience of both our students and staff.

- **Annual Update**

During 2022-23, there has been a range of modernisation to support our key corporate systems, with investments ranging from exploring automation through to major upgrades to platforms such as our Virtual Learning Environment. Maintaining the modernisation programmes for our corporate systems is vital to both staff and student experience but also for avoidance of technical debt. We have seen improvements brought to our mobile app, a major upgrade to our student records system, a step change in embracing Enterprise Service Management, and a new technology selected to support digital transformation for Estates. We have roadmaps in place for our main corporate systems and plan to overhaul our approach to data integration as part of a broader strategy to capitalise on the data we hold.

Transformation (£61m)

The University recognises the need to transform, automate and modernise processes to enhance the student and staff experience across a range of activities and has allocated a budget of £61m to progress investment in the following areas:

- **Student Onboarding**

This project is focussed on improving the journey that follows students from potential applicant, through to registration and enrolment. This programme will involve multiple workstreams comprising of process-enabled change, new technology (CRM) and broader experience design. Since the Outline Business Case was approved in January the focus has been on recruiting key roles to run the project ahead of workstream kick-offs.

- **Purchase to Pay**

This project has been focussed on our core finance processes to improve both staff experience and efficiency in this area. This year the project delivered a new Travel Hub, Purchase & Corporate Cards and capability building for finance staff. Purchase to Pay has transitioned from a strategic project to continuous improvement.

- **Timetabling**

This project is to redesign the process of scheduling learning & teaching throughout the academic year, in particular reducing staff stress and workload as well as ensuring the process is as accessible for as many students as possible. The priority for this year was to accommodate all AY23/24 teaching on campus without relying on external venues, which has been achieved. The project will now advance from building a sustainable foundation to longer-term improvements.

- **Assessment & Feedback**

This project is focussed on improving how we assess and provide feedback to our students. Progress this year has focussed on upgrading a student dashboard, and associated tooling & processes for academic colleagues. There has been 72% adoption achieved in the first year. There has also been progress in other areas of this project including the Learning Through Assessment framework being finalised, an Assessment & Feedback Resources Hub being launched this summer, and publishing AI guidance for staff.

- **Automation Service**

We have established an Automation Service to create more capacity for staff, allowing them to focus on value-adding activities, as well as adding benefits to many University processes such as reducing human error, increasing consistency and adding speed for the end-user. This year we have successfully automated 15 processes, and unlocked 7,910 hours of staff time by year-end. We will now focus on scaling up the service in the next financial year, learning from our initial deployments.

PRINCIPAL RISKS AND UNCERTAINTIES



PRINCIPAL RISKS AND UNCERTAINTIES

The University is accountable to a wide audience including funding bodies, students, staff, the public and the University Court. Risk management supports our strategic planning and prioritisation and strengthens our ability to be agile when responding to challenges or seizing opportunities.

Risk definition

Risk is defined as the threat or possibility that an action, event or set of circumstances will adversely or beneficially affect the University's ability to achieve its objectives. Risk management is defined as the planned and systematic approach to identifying, assessing, addressing and managing risk.

Risk accountability and process

The Principal is accountable for reporting to Court, via the Audit & Risk Committee, a summary of the University's risk management process and the outcome of the risk management monitoring activities. The University Risk Management Policy, framework and reporting is overseen by the Executive Director of Finance who ensures the managing processes are robust and demonstrate assurance to the Audit & Risk Committee. The University Director of Risk is responsible for the day-to-day management of risk across the University and management of the University Strategic Risk Register.

The purpose of the risk management policy and framework is to provide:

- a definition of risk, roles and responsibilities and the encompassing governance structure
- a consistent set of tools required to adopt good practice in the identification, assessment, mitigation and monitoring of risk. It is intended to cover risk at a strategic and operational level as well as support the delivery of change through our project management framework.

Key risk themes from the Strategic Risk Register

RISK THEME	ACTION
Financial <p>While the University is in a strong financial position, our financial sustainability is underpinned by international recruitment with international income accounting for more than 30% of our revenue.</p> <p>The University has significant investment programme costs that can vary significantly with inflation. There is a risk that inflation persists and demand weakens restricting our ability to invest in teaching, research and our student experience and putting pressure on University cash balances.</p>	<p>Financial control is well established at the University. The University has a mature budget process and regularly reviews and models different income, cost and investment scenarios and how this impacts our cash flows.</p> <p>Cash reserves and liquidity are held to manage downturns in international demand. The Investment Committee and Finance Committee play a critical role in assessing the right level and balance of risk and investments to take the institution forward.</p>

PRINCIPAL RISKS AND UNCERTAINTIES

RISK THEME

ACTION

Internationalisation

Geopolitical instability (such as the war in Ukraine and escalating tensions with China) and the current macro-economic crisis are now major risks for the University. It is imperative that we both grow and diversify our international student community as well as the University's reliance on any one sender market.

The shifting geopolitical landscape has a significant impact on a number of other risk areas.

As we develop regional market strategies focusing on diversification in Latin America, Africa and Pakistan, we are also investing to expand our Transnational Education (TNE) capabilities and targeting further TNE expansion.

The change in government visa policy to restrict dependants makes recruitment from emerging markets more challenging. The international strategy aims to provide for a meaningful diversification agenda through a review of scholarships and investments to support further partnerships and in-country officers, however, in the short term we are exposed and hold cash reserves and liquidity to protect the institution from further risk.

Research

Changes in the research policy landscape, including changes to funding sources, represents both an opportunity and a threat. Failure to adapt could lead to reduction in our external funding, ability to produce high-quality academic outputs and non-academic outputs which has a cyclical effect on our ability to attract and retain high-calibre research staff and students.

However, our focus on collaboration to tackle bigger research questions and to find solutions to societal challenges, provides opportunities for attracting longer and larger grants.

As we develop our capacity and capability to commercialise on our research and build an entrepreneurial culture and develop and grow innovative commercial partnerships, there are further opportunities to derive impact from our activities and the expertise of our staff. We will seek to enhance our innovation performance across the institution through increasing spin outs and commercialisation activity, and a focus on supporting economic development and job creation in our community and beyond.

The appointment of Executive Directors in Research and Economic Development & Innovation brings together a cohesive action plan that will continue to build on our capacity and capability in research and creating an innovation ecosystem. We are in a unique position to use our campus development programme to create opportunities in research and entrepreneurial partnerships.

We continue to work with local and national government on the Glasgow Riverside Innovation District (GRID) and a dedicated team is now in place to look at innovation and entrepreneurial opportunities as part of our Church Street Innovation Zone plans.

Mapping research and innovation to our Internationalisation Strategy will focus resources on creating and extending key partnerships at a global, national and local level.

Although we have implemented improvements to our Research Power, we need to move to larger, more complex grants. This will lead to a different model and our Research Futures programme will invest in greater support capacity to target this funding.

PRINCIPAL RISKS AND UNCERTAINTIES

RISK THEME

ACTION

Student Learning and the non-academic experience

There is an ongoing programme of significant change to our assessment and teaching models with a growing reliance on digital transformation to provide students with the support needed to engage with and complete their studies. However, we need to ensure we also have the appropriate focus on an enriching non-academic experience.

Last year saw significant pressure on student accommodation in the City. There is a risk this has negative impact on student experience, recruitment and restricts our ability to grow.

Complementing the 2021 Learning and Teaching Strategy and 2022 Internationalisation Strategy, we have launched the Student Experience Strategy. This triumvirate of strategy delivery coupled with our supporting infrastructure will seek to ensure student expectations are met and our reputation as a World Changing University continues to grow year on year.

We will focus on delivery of additional student residences via our Strategic Property Investment and Development project.

Technology and Data

Cyber terrorism is increasingly more sophisticated. The likelihood of an attack is almost certain and the impact on the University could be significant in terms of financial and reputational damage as evidenced in the recent attacks within the sector.

In 2022, our Chief Information Security Officer introduced comprehensive and robust changes to systematically and proactively identify possible weaknesses that could be exploited. Multi-factor Authentication is now standard in our staff and student profiles and key systems. We have identified College and University Services Information Security Officers to drive forward our cyber security plans.

The Chief Data Officer started this year with a mandate to develop a Data Management Strategy, which will link with the Technology Strategy. The Data Management Strategy will identify clear responsibility and ownership of our institutional data.

People and Organisational Development

The higher education sector operates in an increasingly competitive global market in the recruitment of world leading talent. The University has introduced a range of mechanisms to support the health, safety and wellbeing of colleagues, the effectiveness of which we continue to monitor, and review, given prolonged and intense workload demands on our people

Ongoing industrial action and the impact this is having on learning and teaching, staff as well as the student experience requires careful management and ongoing dialogue with the various unions.

Continued delivery against our People and Organisational Development (P&OD) Strategy will ensure we deliver our values-led culture and promote the University as an exceptional place to work, in cultivating an engaging and enabling working environment that empowers people to thrive.

We will continue to engage with the various unions and work towards resolving current industrial action and improving employee relations.

PRINCIPAL RISKS AND UNCERTAINTIES

RISK THEME	ACTION
<p>Estates</p>	
<p>The University has a significant maintenance debt that can have an impact on our operations and will worsen if this is not addressed. The backlog and new builds will take years to address and ongoing operational risks will need to continue to be managed.</p> <p>Our Estates Strategy outlines our continued need to invest in ongoing maintenance to existing buildings and new buildings.</p> <p>Our growth strategy is dependent on expanding and improving our learning, teaching and research footprint. We need to ensure that we understand the requirements clearly, particularly with changes in ways of working, teaching delivery and expanding research to ensure we build the right flexible space.</p>	<p>Maintaining older parts of our estate has been a challenge and we are investing in process and system changes to enhance our facilities and building maintenance, as well as significantly increasing the maintenance budget.</p> <p>We have a well established and experienced team who manage our new build projects, ensuring a strong design brief including flexibility, on time and on budget delivery.</p> <p>Our space planning group continues to review research and teaching requirements for the future to enable growth and efficiency.</p>
<p>Services</p>	
<p>As well as delivering excellence in teaching and research we need to ensure that our services deliver service excellence so that our students and staff have efficient and effective support.</p> <p>There is a risk that we do not deliver process and system improvements and our core strategies will be constrained.</p>	<p>The transformation agenda has been reshaped around five major projects to deliver on process and system improvements.</p> <p>Governance reviews have been completed to simplify and reduce bureaucracy.</p>
<p>Sustainability</p>	
<p>The global climate emergency is one of the highest risks on the Strategic Risk Register. There are increasing demands from Scottish Government, SFC and others on our response to sustainability. Increasing expectations from staff and students demand that we are being proactive in addressing the climate emergency.</p> <p>The impact to the University should we fail to meet our legal and ethical obligations could have a significant impact on our reputation.</p>	<p>Our sustainability strategy, Glasgow Green, sets out our ambition to achieve net zero by 2030. It is supplemented by a more detailed carbon management plan which will be implemented over the next eight years. We are committed to increasing capacity and capability to tackle the challenges we face as well as taking forward an extensive programme of academic work coordinated by the Centre for Sustainable Solutions.</p> <p>Our new campus build has sustainability at the heart of design and we are developing solutions to reduce our carbon footprint in our current estate and IT infrastructure. This is reflected in the significant investment in both increased maintenance spend, IT infrastructure and dedicated spend on sustainability initiatives to reduce our carbon footprint.</p>

FINANCIAL REVIEW



EXECUTIVE DIRECTOR OF FINANCE

FOREWORD



Gregor Caldwell
Executive Director of Finance

The University has delivered another year of excellent academic and financial results. We continue to develop, invest and deliver on our strategic plans enabled by strong financial results. The University reported a surplus of £121m before other gains and losses with our underlying surplus reducing from £142m last year to £68m as we increased investment to amplify the impact of the institution.

Investment included a significant growth in academic departments and services, although overall staff numbers showed a slight reduction with a closure of the Lighthouse Laboratory. Total student numbers reduced slightly by 1%, although tuition fee income grew by 8% underpinned by international income. We expect to continue to invest in our thematic strategies of research, teaching, innovation and student experience beyond this year, with approved investment in excess of £30m in addition to investment in our enabling infrastructure.

Capital expenditure rose to £92m as we completed the first phase of our campus redevelopment programme that started in 2016. This included opening two new buildings, including the Adam Smith Business school building in time for the 2023-24 academic year. We also made progress on delivery of our IT investment plan with investment in core networking and cyber security through last year. We have ambitious plans to invest over £2bn in both our digital and physical Estate over the forthcoming years, which is necessary to continue to compete as a world changing University, but also to address long-term maintenance requirements and meet our sustainability commitments.

The University had £612m of cash and cash equivalents at the year end. This is necessary to fund our investment programme, repay some of our long-term debt of £245m but also to protect the institution

from downturns in international income which underpins our operating cash generation and cross subsidises research and teaching.

We completed our divestment from holdings in fossil fuel companies in September 2023, delivering on our commitment made in 2014.

Economic pressures and geopolitical risks continued through 2023 and are expected to continue through 2024. Inflation negatively impacted costs on our long-term investment programme and utility costs were adversely impacted through the year. With continued cost-of-living pressures, the University awarded an exceptional pay increment to staff which was the equivalent of a 3% increase in addition to nationally agreed levels.

Despite challenging economic and geopolitical times the University is in a strong position to continue to be successful through the efforts of our staff, students and alumni and as we deliver the benefits from our investments across teaching, research, innovation and the student experience.

Gregor Caldwell
Executive Director of Finance

FINANCIAL REVIEW

Summary Income & Expenditure

	2023 £m	2022 £m
Consolidated income	952.2	929.4
Consolidated expenditure	(831.5)	(1,002.7)
Surplus/(Deficit) before other gains and losses	120.7	(73.3)
Adjust for (decrease)/increase in USS pensions provision	(52.5)	215.6
Underlying surplus before other gains and losses	68.2	142.3

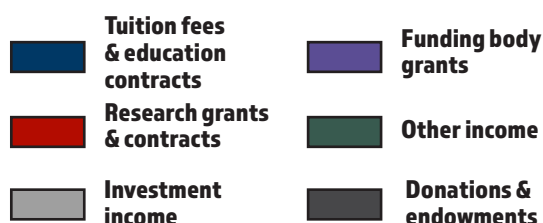
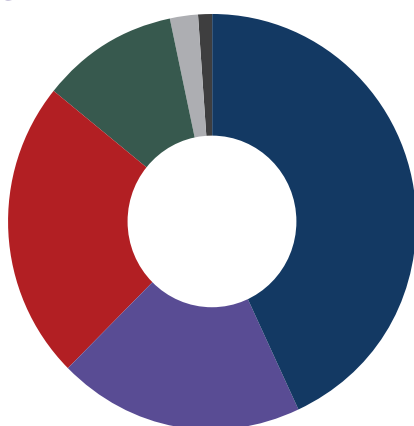
Net Cash Position

Cash & cash equivalents at year end	611.5	583.2
Borrowings	(251.8)	(252.8)
Non-current investments (excluding endowment assets)	4.3	4.1
Net Cash (note 22)	364.0	334.5

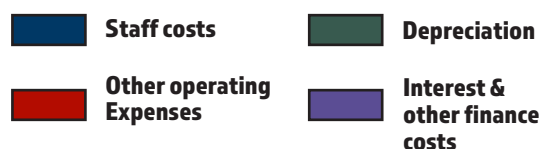
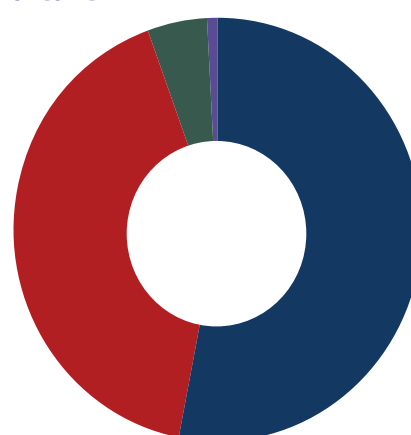
Capital Spend Overview

£92.4m Capital expenditure in year	£459.7m Campus re-development major project spend since 16/17	£67.5m Capital commitments contracted and authorised
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Income



Expenditure



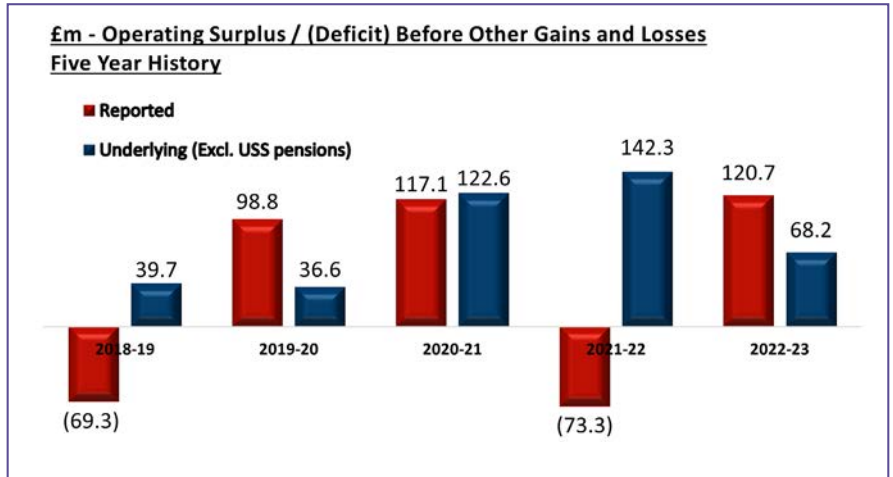
*Excludes movement on USS deficit plan provision

FINANCIAL REVIEW

Income & Expenditure

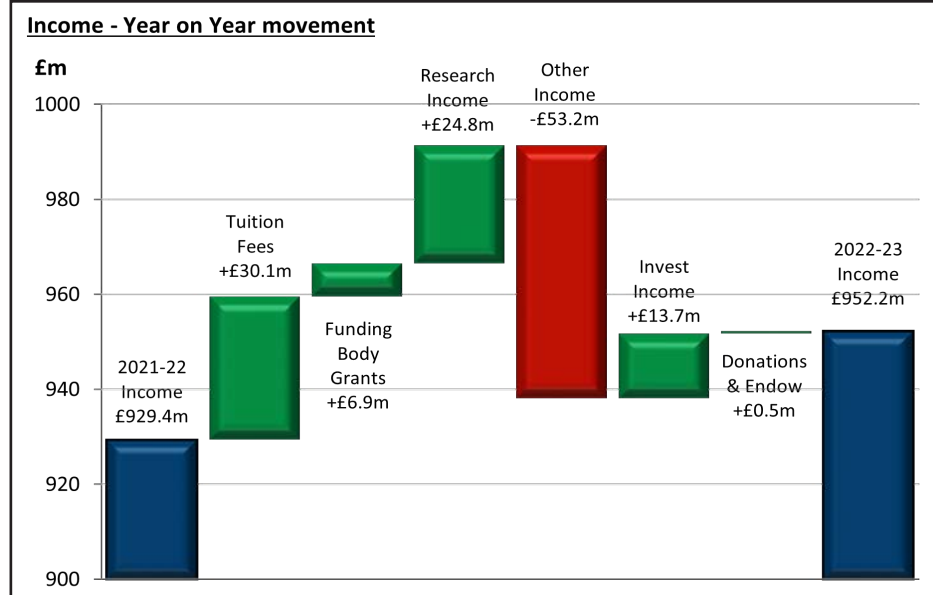
The University has achieved a strong set of results in the 2022-23 financial year. The increases in the underlying operating surpluses in 2020-21 and 2021-22 were predominantly due to increased student numbers and the reduction in 2022-23 is attributable to lower levels of other income. The 2022-23 surplus will be invested in future years to develop the campus, increase sustainability and enhance the student experience through investment in both IT and Estates, investing in our staff and increasing staffing levels where required and remaining competitive through investing in the University strategy.

The graph to the right shows the trend in operating surplus/(deficit) over the last five years, with the underlying positions adjusted for the movement in the provision for the Universities Superannuation Scheme (USS) deficit reduction plan. Accounting for this provision can cause significant volatility in the reported surplus/(deficit) and based on the expected outcomes from the current consultation process we are likely to see further volatility in 2023-24.



Income

Total income increased by £22.8m or 2.5% from 2021-22 to 2022-23



The main movements are as follows:

- **Income from tuition fees and education contracts** grew by £30.1m or 7.9% to £410.8m. The largest movement was in overseas students, with income growing by £29.23m or 10.4% (2021-22: 40.6%)
- **Income from funding body grants** increased by £6.9m or 3.9%. Increased income of £4.8m for research grants related to one-off support distributed by the SFC in 2022-23 during the ongoing delay to the UK's decision on association with the Horizon Europe funding programme for research and innovation
- **Underlying research income** (research income excluding movements in capital grants) increased by £20.2m during the year, predominantly due to increases in funding from Research Councils, UK Government and Overseas sources. Capital grant income increased by £4.6m. The overall increase in

FINANCIAL REVIEW

income from research grants and contracts was therefore £24.8m or 12.6% (2021-22: increase of £22.8m or 13.2%). However, the recovery of research income following the Covid-19 pandemic is still ongoing, particularly for UK Charity research income

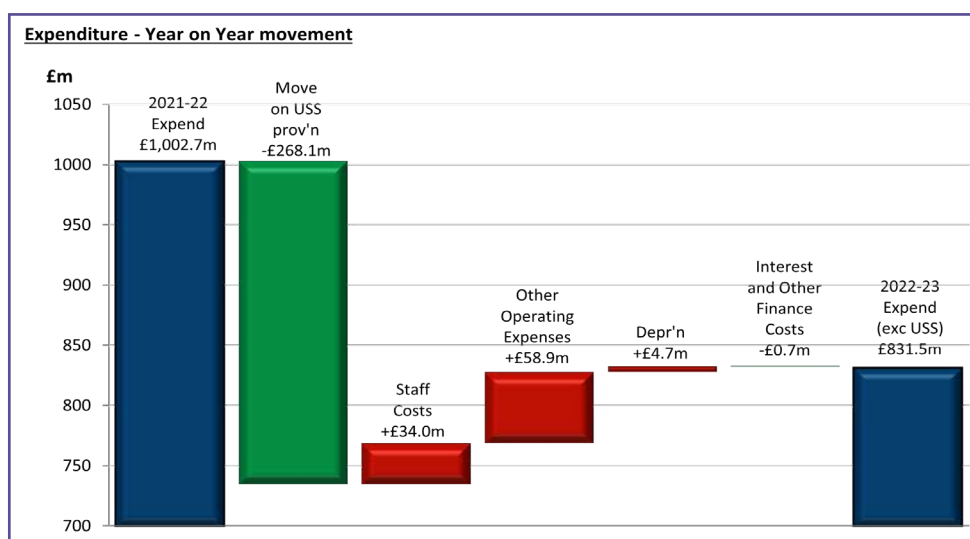
- **Other income** decreased by £53.2m or 34.0% in 2022-23. The majority of this decrease (£49.6m) related to a decrease in other services rendered due to the closure of the Lighthouse Laboratory after the contract for processing samples on behalf of the Department of Health and Social Care ceased

in June 2022. There has also been a decrease of £3.7m in partnership income from Glasgow International College Kaplan

- **Investment income** increased by £13.7m in 2022-23, due to increased interest rates
- **Income from donations and endowments** increased by £0.5m in 2022-23

Expenditure

Total expenditure decreased by £171.2m or 17.1% in 2022-23. This includes a £268.1m year on year favourable movement in the USS deficit reduction plan provision, with a £52.5m reduction in 2022-23 versus a £215.6m increase in 2021-22.



- **Staff costs** increased by £34.0m or 7.8% in 2022-23 (2021-22: increase of £36.7m or 9.2%). The increase is principally due to the effect of annual salary increases, including the proportion of the 2023-24 pay award which was brought forward to February 2023. The USS contribution rate has remained at 21.6% for the year. Staff numbers have decreased by 52 (1.0%) full-time equivalent staff members (FTEs) but notwithstanding this decrease, there has been an increase of 339 FTEs in academic positions to support increased student numbers. This has been offset by a higher reduction of 518 FTE following the closure of the Lighthouse Laboratory
- **Other operating expenses** increased by £58.9m or 19.3% (2021-22: increase of £56.9m or 22.9%). Spend has increased across all areas of the University with higher student numbers and increased activity following the pandemic. The increase also relates to increased energy usage and prices for the year. However, spend has decreased in other income generating activity, as a result of the closure of the Lighthouse Laboratory in the 2022-23 year
- **Depreciation** increased by £4.7m, reflecting higher levels of additions in the Buildings and Equipment categories of fixed assets
- **Interest and other finance costs** decreased by £0.7m

FINANCIAL REVIEW

Net Cash & Cash flow

Net cash shows a positive funding position of £364.0m as at 31 July 2023. This represents a £29.5m increase on the 2021-22 closing position of £334.5m. Cash balances are being held to meet the significant capital commitments that the University has as part of its campus redevelopment programme and to provide resilience against risks and economic shocks in the operating environment.

Available funds (cash and cash equivalents and investments) increased by £28.5m, and debt decreased by £1m due to annual repayment of the SFC loan.

During 2020-21 the University took out two Revolving Credit Facilities giving additional borrowing capacity of £140m in total. This was to ensure the University has sufficient liquidity to manage challenges arising from Covid and to ensure funds were available to progress the institution's strategic goals. Neither of these facilities have been drawn on to date.

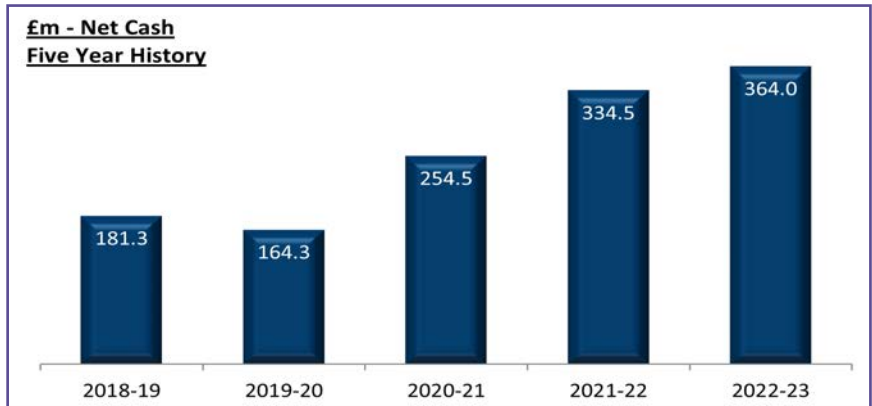
The five-year net cash history is shown above. This presents the overall cash position less long-term borrowings. Within long term borrowings is £245m for the campus development programme. This programme is ongoing, and funds will be further utilised as it is delivered.

Net cash flow from operating activities was £80.3m in 2022-23, representing the surplus after tax of £128.0m adjusted for non-cash items being mainly pension costs less contributions payable of £55.2m, depreciation of £41.3m and an overall movement in working capital balances of £11.2m.

Investing activities saw a net cash outflow in 2022-23 of £45.9m, with the purchase of property, plant and equipment of £88.7m due to the ongoing campus development programme, investment income of £23.2m and capital grant receipts of £21.7m.

Financing activities saw a net cash outflow in 2022-23 of £5.9m compared to an outflow of £6.6m in 2021-22. This improvement of £0.7m is mainly due to an increase in new endowments.

Capital commitments decreased by £56.3m in 2022-23 from £123.8m to £67.5m, mainly relating to commitments from the campus development programme.



FINANCIAL REVIEW

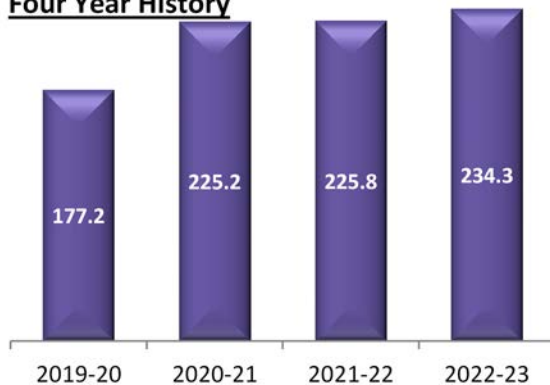
Investment Performance

The FTSE All Share index has grown in 2022-23 at a rate of 6%, and the University has also experienced an increase of 3.7%. The lower return is due to fixed income and property investments adversely impacting positive returns from equities. The market value of its funds has increased by £8.4m in 2022-23. Volatility has been a feature of markets given the focus on inflation and monetary policy. Major central banks continued to raise interest rates over the period to address inflationary pressures. There are tentative signs that inflation is beginning to fall and growth remains reasonably resilient. Returns for the major asset classes in the University portfolio are ahead of their respective indices, albeit with negative returns in absolute terms from the fixed income component. Both UK and global equities have performed well achieving positive returns.

The value of endowment funds has increased in 2022-23 by £8.5m, to £234.3m, with new endowments of £2m and investment income and expenditure being £6.6m and £8.5m respectively in the year.

The performance of the fund managers is monitored, with targets being periodically reviewed, on a regular basis by a sub-committee of the Finance Committee, the Investment Advisory Committee.

£m - Investments - Endowment Assets Four Year History



Pension Liability

The Consolidated pension provision decreased in 2022-23 by £27.6m to £305.6m. This was due to a positive movement of £52.5m in the Universities Superannuation Scheme (USS) deficit reduction plan provision, partially offset by a negative movement of £24.9m in the University of Glasgow Pension Scheme (UGPS) provision.

For USS, in accordance with FRS 102, the University records the present value of its commitments under the deficit recovery plan and updates key assumptions on an annual basis, these being the discount rate, future payroll and headcount growth. The provisions in 2023 and 2022 are based on the deficit recovery plan that was put in place as part of the 2020 valuation which requires deficit recovery contributions from employers of 6.2% until 31 March 2024, at which point the rate will increase to 6.3%. The decrease in the provision in 2023 is principally attributable to a higher discount rate due to the increase in interest rates.

The 2023 valuation of the scheme is currently in progress with the aim of completing the valuation in time to implement any changes by April 2024. Given the changes in market conditions since the 2020 valuation, it is likely that the 2023 valuation will show an improved funding position with the Scheme likely to be in a surplus position. Based on the ongoing consultation on the technical provisions to be adopted for the 2023 valuation, it is also likely that contribution rates for both employers and members will reduce.

The provisions for both UGPS and Strathclyde Pension Fund (SPF) have been subject to actuarial valuation as at 31 July 2023 in accordance with FRS 102 with a number of financial and demographic assumptions being applied. The UGPS scheme has seen an increase in the net pension deficit from £13.0m in the prior year to £37.9m in the current year. The net surplus in SPF has increased from £8.3m in the prior year to £11.3m in the current year. However, due to the strict recognition criteria contained within FRS 102 regarding scheme surpluses, the value of SPF has been recognised at nil to restrict the value of the surplus. For both schemes, changes to assumptions driven by external market conditions have been the primary drivers of the movements in the provisions. The key driver in the increase in the net deficit position for UGPS was the negative effect of the gilts crisis on the valuation of its investments (which are heavily weighted towards gilts and direct lending) which offset the positive impact of a higher discount rate being applied to its liabilities.

FINANCIAL REVIEW

SUMMARY

The University has achieved strong results in the 2022-23 year. There are new and significant challenges facing the University and the Higher Education sector in the UK and across the world.

The University continues to be mindful that the economic environment remains challenging and is constantly changing. The University continues to monitor the uncertainties surrounding inflation and geopolitical risks. The University manages the potential financial challenges in future years through the application of robust planning and budgeting procedures, basing these on financially prudent assumptions.

The University's Senior Management Group assesses the strategic risks that the University faces at each monthly management meeting and identifies and executes appropriate mitigating actions if required.

Court continues to emphasise that strong financial management is essential to support the University in making progress towards realising its strategic goals.

GOVERNANCE

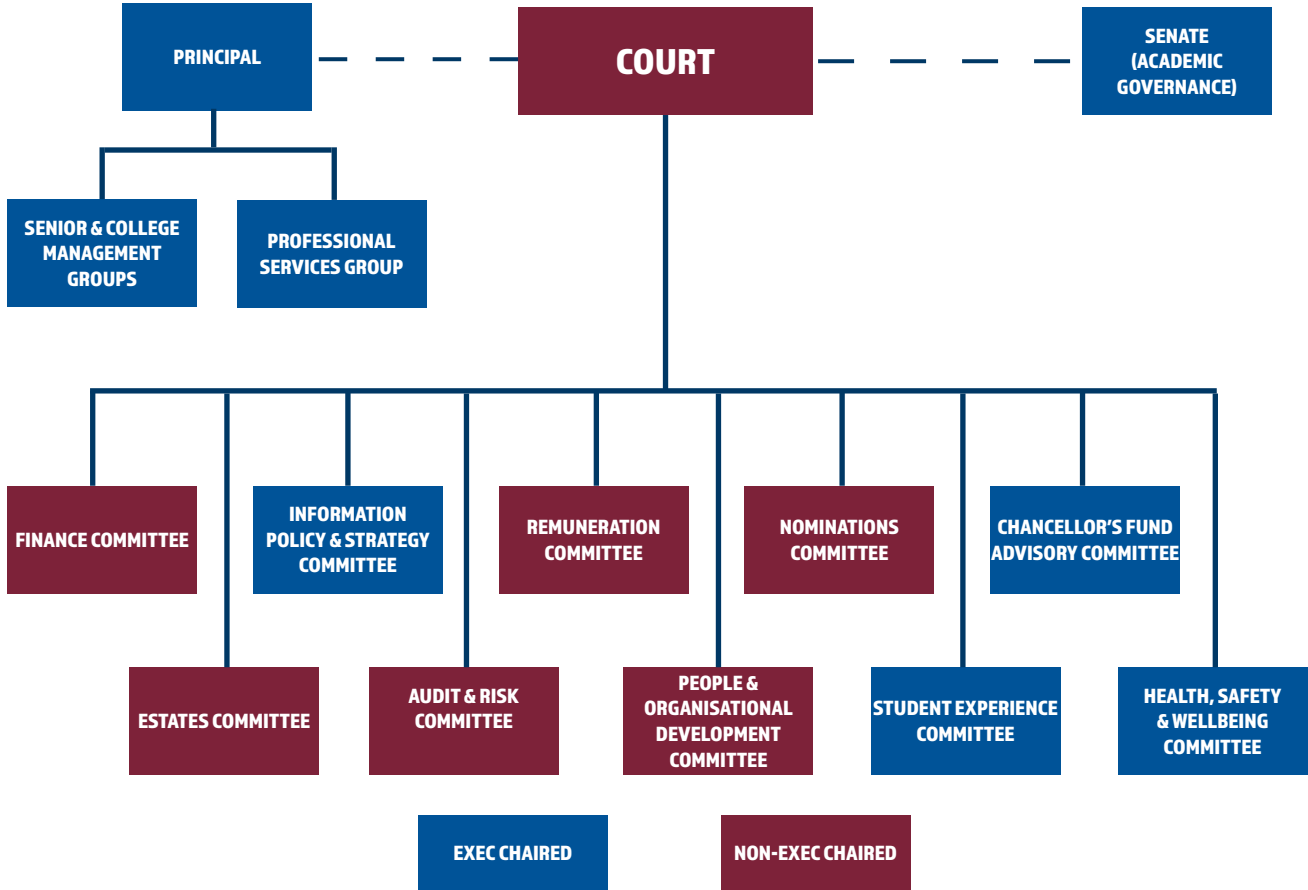


GOVERNANCE STRUCTURE



Members of Court

Corporate Governance Committee Structure



Details on the above Committees and their remits can be found at: <https://www.gla.ac.uk/myglasgow/governance/corporategovernance/structure/>

MEMBERSHIP OF COURT

Members of Court who served during the year to 31 July 2023 are detailed below, as are members who served up to the date of approval of the reports and financial statements. Also shown is an indication of the Committees on which the members served during the year to 31 July 2023 and up to the date of approval of the reports and financial statements, the expiry date of their current term of office and whether they are independent members of Court.

	Start date	Expiry date	Committee membership	Independent member	Attendance at court meetings (2022/23)
The Rector					
Lady Rita Rae	Apr 2021	Mar 2024	SEC		3/5
The Principal and Vice-Chancellor					
Professor Sir Anton Muscatelli	Oct 2009	Sep 2025	CFAC, EC, FC, NC, POD, RC		5/5
The Chancellor's Assessor					
Mr Ronnie Mercer	Jan 2018	Jun 2023	EC, NC, RC	✘	5/5
Dr Bo Hu	Jul 2023	Jun 2027		✘	0/0
Assessor of City of Glasgow Council					
Councillor Susan Aitken	Jun 2017	May 2027		✘	2/5
General Council Assessors					
Mr Stuart Hoggan	Jul 2022	Jul 2026	ARC, EC, FC	✘	5/5
Dr Christine Middlemiss	Jul 2022	Jul 2026		✘	4/5
Elected Academic Staff					
Professor Sarah Armstrong	Aug 2023	Jul 2027	ARC, SEC		0/0
Professor Dan Haydon	Nov 2022	Oct 2026	FC, NC		3/4
Professor Nick Hill	Jan 2016	Jul 2023	FC, IPSC, NC, POD		5/5
Professor Simon Kennedy	Aug 2017	Jul 2025	ARC, EC, FC		5/5
Professor Kirsteen McCue	Aug 2017	Jul 2025	EC, POD		5/5
Professor Bethan Wood	Sep 2017	Jul 2025	EC, IPSC, POD, RC, SEC		5/5
Elected Professional Services (Support) Staff					
Mr Christopher Kennedy	Aug 2019	Jul 2027	EC, HSWC		3/5
Trade Union Nominees					
Dr Craig Daly	Aug 2019	Jul 2023	RC		4/5
Ms Paula McKerrow	Aug 2021	Jul 2024	HSWC, NC, POD		2/5
Professor Richard Reeve	Aug 2023	Jul 2027	POD		0/0
Co-opted Members of Court					
Ms Kerry Christie	Oct 2023	Sep 2027	POD, RC	✘	0/0

MEMBERSHIP OF COURT

	Start date	Expiry date	Committee membership	Independent member	Attendance at court meetings (2022/23)
Professor Dame Nicola Dandridge	Jul 2022	Jul 2026	NC, SEC	✘	5/5
Mr David Finlayson	Oct 2017	Oct 2025	CFAC, NC, SEC	✘	4/5
Mr Laic Khalique	Apr 2021	Apr 2025	IPSC	✘	5/5
Mr Jonathan Loukes	Dec 2021	Dec 2025	FC, NC	✘	4/5
Dr June Milligan	Sep 2015	Oct 2023	POD, RC	✘	4/5
Ms Elspeth Orcharton	Oct 2016	Oct 2024	ARC, FC	✘	4/5
Ms Elizabeth Passey*	Aug 2016	Jul 2024*	FC, NC, RC	✘	5/5
Mr Shan Saba	Apr 2022	Apr 2026	POD	✘	4/5
Mr Gavin Stewart	Apr 2017	Mar 2025	FC, IPSC, NC	✘	4/5
President of the Students' Representative Council (SRC)					
Ms Rinna Vare	Jul 2022	Jun 2023	CFAC, EC, FC, IPSC, NC, RC, SEC		5/5
Ms Hailie Pentleton-Owens	Jul 2023	Jul 2024	CFAC, EC, FC, IPSC, NC, RC, SEC		1/1
Assessor of the Students' Representative Council (SRC)					
Mr Theo Frater	Oct 2022	Oct 2023			4/4
University Secretary					
Dr David Duncan**			CFAC, EC, HSWC, NC, POD, SEC		5/5

* Ms Elizabeth Passey is also Convener of Court, an appointment that will run until July 2024.

** Dr David Duncan is not a member of Court but attends in his capacity as University Secretary.

Further information and biographies of the Members of Court can be found on the University website at: <https://www.gla.ac.uk/explore/whoswho/#universitycourt>.

The Committees of Court as shown in the table are as follows:

- **ARC** - Audit & Risk Committee
- **EC** - Estates Committee
- **FC** - Finance Committee
- **HSWC** - Health, Safety and Wellbeing Committee
- **IPSC** - Information Policy and Strategy Committee
- **NC** - Nominations Committee
- **POD** - People and Organisational Development Committee
- **RC** - Remuneration Committee
- **SEC** - Student Experience Committee
- **CFAC** - Chancellor's Fund Advisory Committee

CORPORATE GOVERNANCE STATEMENT



Elizabeth Passey
Convener of Court

The University Court of the University of Glasgow (Court) follows best practice in all aspects of corporate governance relevant to the higher education sector. This summary describes the manner in which Court has applied the principles of the Turnbull Committee guidance (as applicable) on internal control as amended by the British Universities Finance Directors Group in its 2006 guidance, of the 2017 Scottish Code of Good HE Governance, and of the Annual Accounts direction as issued by the Scottish Funding Council. Its purpose is to help the reader of the reports and financial statements understand how the principles have been applied.

In the opinion of the Governing Body, the University complied with all the principles and provisions of the 2017 Scottish Code of Good Higher Education Governance. The newly elected Convener of Court (Senior Lay Member as defined by the HE (Scotland 2016) Act) will take up post in July 2024.

University governance

Much of the University's modern constitutional framework derives from the Universities (Scotland) Act 1966, which updated and expanded on the Universities (Scotland) Acts 1858 to 1932. The University also complies with the Post-16 Education (Scotland) Act 2013 and the Higher Education Governance (Scotland) Act 2016. These Acts make provision for the three main statutory bodies in the governance of the University – Court, the Senate and the General Council.

All governance matters have followed the annual schedule of business, with normal agendas and supported by regular pre-meeting briefings.

The **Court** is the University's governing body. Its powers have been defined over a number of years, commencing in 1858, when Court was first established, and are set out in a series of Acts of Parliament, the Universities (Scotland) Acts 1858-1966. These Acts are supplemented by sections of other Acts and certain Ordinances, promulgated by the University and approved by the Monarch in Council. Ordinances have been enacted to extend the powers available to Court, or to clarify the powers which are not explicit in the Acts.

Court has ultimate responsibility for the deployment of resources in the University, and for the strategic plans of the institution. It does not normally generate proposals but receives them from other bodies within the University

- most notably the Senate and the Senior Management Group. It also has a monitoring role in relation to the overall performance of the University, and it holds the Principal and Vice-Chancellor (the Principal) to account for the effective and efficient management of the University. Working with the Senate, Court is responsible for the well-being of students and for the reputation of the University. It is also responsible for the well-being of staff. The Court Statement of Primary Responsibilities is published at <https://www.gla.ac.uk/myglasgow/courtoffice/statementofprimaryresponsibilities/>

Court has 25 members and, in the financial year 2022-23, consisted of: the Rector (who is elected by the students of the University), the Principal, the Chancellor's Assessor, a representative of Glasgow City Council, two assessors elected by the General Council, five assessors elected by the senior academic body, one elected professional services (support) staff member, two trade union nominees, the President of the Students' Representative Council, one assessor elected by the Students' Representative Council, and nine independent members appointed by Court, one of whom is appointed Convener of Court. The role of Convener of Court is remunerated, as permitted by the Higher Education (Scotland) Governance Act of 2016. All members of Court are entitled to claim expenses incurred in the course of their duties.

The current size of Court and its composition, as described in the Membership of Court, maintains a coherent and effectively functioning governing body, including an appropriate range of skills and experience. With regard to statutory requirements relating to membership, the Court amended its membership by Ordinance effective 1 August 2019 to align with the requirements of The Higher Education Governance (Scotland) Act 2016. This was within the time frames required in the Act.

CORPORATE GOVERNANCE STATEMENT

Court conducts much of its business through ten committees, each having formally constituted terms of reference. Committees report to Court through their Chair, who - with two exceptions (the Health, Safety & Wellbeing Committee and Information Policy and Strategy Committee) - is an independent member of Court. The Committees are each expected by Court to appoint a Vice-Chair, and Court itself has also appointed a Vice-Convener, who is an independent member of Court (Elspeth Orcharton). Court meets five times per year.

The **Finance Committee** monitors the financial performance of the University and its associated legal entities. It considers financial policies and issues and makes recommendations to Court on these matters and with regard to the importance of financial sustainability. It also considers the reports and financial statements and revenue/capital budgets of the University and its associated legal entities and makes recommendations to Court thereon. During the year to 31 July 2023, the Committee was chaired by Gavin Stewart, an independent member of Court, and the Vice-Chair was Jonathan Loukes who is also an independent member of Court. The Committee normally meets five times a year.

The **Audit & Risk Committee** keeps under review the adequacy and effectiveness of the University's internal financial controls and internal control and risk management arrangements and oversees the arrangements for external and internal audit of the University's financial and management systems and of activities and processes related to these systems. During the year to 31 July 2023, the Committee was chaired by Elspeth Orcharton, an independent member of Court, and the Vice-Chair was Simon Bishop, an external independent member who is not a member of Court. The Committee normally meets four times a year, with the University's external and internal auditors in attendance.

The **Nominations Committee** makes recommendations to Court on the appointment of independent members to Court and on the appointment of the chair and members of Court Committees, having regard to the skills and experience required. The University provides induction training for all new members of Court and its Committees. The training covers Higher Education in Scotland, University Governance, University Strategy and Financial Management. During the year to 31 July 2023, the Committee was chaired by Ronnie Mercer, The Chancellor's Assessor, until June 2023 and is now chaired by Professor Dame Nicola Dandridge. The Vice-Chair during the year to 31 July 2023 was Jonathan Loukes who is an independent member of Court. The Committee normally meets once a year.

The **Remuneration Committee** makes recommendations to Court on the process of determining salary awards for senior staff and determines the Principal's

remuneration in the absence of the Principal, who is not a member of the Committee but attends for items relating to senior management remuneration other than his own. The Committee's remit also covers the remuneration of the Convener of Court. The Convener of Court is also a member of the Remuneration Committee and also leaves the meeting while Convener remuneration is discussed. Details of the remuneration of senior post-holders for the year ended 31 July 2023 are set out in note 7 to the financial statements. During the year to 31 July 2023, the Committee was chaired by June Milligan, an independent member of Court and the Vice-Chair until June 2023 was Ronnie Mercer, the Chancellor's Assessor. The process is currently underway to appoint a new Vice-Chair. The Committee normally meets twice a year.

As the University's Chief Executive Officer, the Principal has formal and wide-ranging responsibilities for the strategic leadership and direction of the University. The Principal is a member of Court and Convener of Senate. The Principal leads the Senior Management Group (SMG), which also includes the Deputy Vice-Chancellors (three in total), Vice-Principals (eight in total), the Executive Director of Finance and the Executive Director of HR.

The remuneration and terms and conditions of the Principal are determined by members of the Remuneration Committee.

The Remuneration Committee's review of the Principal's salary is informed by:

- the annual Performance & Development review discussion conducted by the Convener of Court, reflecting feedback from staff, students, members of Court and the senior executive and informed by a 360° appraisal process;
- individual and collective SMG performance in advancing the University's strategic objectives; and
- the need to provide tangible reward for excellent performance and a competitive remuneration package that is consistent with robust benchmark data and reflective of equivalent positions within comparable Russell Group/major UK universities.

The remit of the Remuneration Committee also includes responsibility to determine the salaries of the Principal and other members of Senior Management Group, having regard to:

- their performance in advancing the University's strategic objectives;
- the need to offer salaries that are competitive with those of other major UK universities, as reflected in robust comparative data; and
- the budget approved by Court.

There is also an annual evaluation process of the performance of the Convener of Court. This is led by the

CORPORATE GOVERNANCE STATEMENT

Chancellor's Assessor.

The **People and Organisational Development Committee** reviews the University's HR Strategy and, through agreed performance indicators, monitors its relevance, implementation and effectiveness; ensures that the strategy is consistent with and supports the University's mission, vision and values; monitors compliance with the legal and regulatory framework for HR and ensures the adoption of best practice; acts as a sounding board for the University's executive officers and HR function, providing advice, from a breadth of perspectives, on human resource management issues; and ensures that the University's senior management demonstrate the importance of HR to the institution by providing support and leadership to all staff. During the year to 31 July 2023, the Committee was chaired by an independent member of Court, June Milligan and the Vice-Chair was Rob Goward, an external independent member who is not a member of Court. The Committee normally meets three times a year.

The **Estates Committee** develops and maintains strategic estate plans for consideration by Court taking into account academic need, resource implications and the importance of environmental sustainability. During the year to 31 July 2023, the Committee was chaired by the Chancellor's Assessor, Ronnie Mercer, until June 2023 and is now chaired by Stuart Hoggan. The Vice-Chair is Doug Smith who is an independent member of the Committee. The Committee normally meets five times a year.

The **Information Policy and Strategy Committee** develops and maintains a strategic Information Technology (IT) strategy and associated financial and implementation plans for consideration by SMG and Court which supports the delivery of the University's Strategic Plan taking into account resource implications. During the year to 31 July 2023, the Committee was chaired by Professor Frank Coton, Senior-Vice Principal / Deputy Vice Chancellor (Academic). The Vice-Chair was Laic Khalique who is an independent member of Court.

The **Health, Safety and Wellbeing Committee** provides a forum within which consultation and discussion may take place between representatives of University management and representatives of staff and students on health, safety and wellbeing matters. The Committee will also make representations and recommendations to Court as required. During the year to 31 July 2023, the Committee was chaired by the Chief Operating Officer and University Secretary, David Duncan, and normally meets four times a year.

The **Chancellor's Fund Advisory Committee** supports innovative, exciting projects that have an impact across the University and wider community.

The Chancellor's Fund aims to:

- Support our students by helping to provide a rich and rewarding university experience
- Enhance the learning environment by providing access to new technologies and enhanced facilities
- Develop excellence by providing financial support for research, teaching and promoting academic developments
- Preserve the University's heritage, enhancing the physical and cultural heritage of the University

Its remit includes ensuring that the University operates effective due diligence around the disbursement of the funds of the Chancellor's Fund, considers any ethical and reputational issues associated with the disbursement, ensures that disbursement will not cause an unacceptable conflict of interest for the University and reports annually to Court on its activities. During the year to 31 July 2023, the Committee was chaired by the Chief Operating Officer and University Secretary, David Duncan.

The **Student Experience Committee** is a joint committee of Court and Senate. During the year to 31 July 2023, the Committee was co-chaired by Chief Operating Officer and University Secretary, David Duncan, and the SRC President, Rinna Vare. Its remit includes: agreeing and overseeing implementation of a common strategy, plans and policies for non-academic aspects of student life; ensuring that every student has the opportunity to enjoy and derive value from their university experience; ensuring that the University's provision for the student experience reflects the diversity of needs within the student population; and reviewing and monitoring the effectiveness of services and determining their priorities. The Committee normally meets five times a year.

In respect of its strategic and development responsibilities, Court receives recommendations and advice from the **Senior Management Group**. The Heads of College, Vice Principals and other senior officers are members of the Senior Management Group which is convened by the Principal. The Senior Management Group roles currently reflect equal gender diversity. The Principal briefs each meeting of Court on significant matters and reports on issues considered by the Senior Management Group.

The Senate

The Senate is the senior academic body of the University and subject to the powers of the Court, is responsible for the academic activity of the University and the maintenance of academic standards. From 1 August 2019 the composition of Senate has been amended via Ordinance to align with the requirements of the Higher Education Governance (Scotland) Act 2016; the number on Senate as at 31 July 2023 was 133 (2022: 133).

CORPORATE GOVERNANCE STATEMENT

The General Council

The General Council comprises the graduates of the University. It has a statutory right to comment on matters which affect the well-being and prosperity of the University. It meets twice a year and is normally chaired by the Chancellor.

Statement of internal control

Court is ultimately responsible for the University's system of internal control and, as chief executive officer, the Principal is responsible for reviewing its effectiveness. 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.

The Senior Management Group receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms. A key control is the Principal's Budget Briefing which takes place in May of each year. This meeting is attended by the Senior Vice Principal, Heads of College and the University Secretary. The Budget Briefing provides a forum for the Principal, the Heads of College and the University Secretary to discuss the key strategic issues within each College and University Services. These meetings are also attended by other SMG members and senior staff from the Finance Office.

The Audit & Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control.

The University's internal auditors monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan and report their findings to management and the Audit & Risk Committee. During this year's review period our internal auditors have identified areas of improvement which are common across the Higher Education sector. Management is responsible for the implementation of agreed audit recommendations and the internal auditors undertake periodic follow-up reviews to ensure that such recommendations have been implemented. The Audit & Risk Committee considers summarised reports together with recommendations for the improvement of the University's systems of internal control and management's responses and implementation plans. Whilst senior executives attend meetings of the Audit & Risk Committee as necessary, they are not members of the Committee and the Committee meets the internal and external auditors on their own for independent discussions. Court receives regular reports from the Audit & Risk Committee, including reports relating to the University's risk register. On an annual basis, the Court also reviews the University's risk register.

Court is of a view that there is an ongoing process for identifying, evaluating and managing the University's significant risks, and that it has been in place throughout the year ended 31 July 2023 and up to the date of approval of the annual reports and financial statements.

General data protection regulation

The University put in place actions to ensure compliance with the General Data Protection Regulation, which was introduced in May 2018.

Modern Slavery Act statement

The University is committed to ensuring and actively monitoring that modern slavery and human trafficking is not taking place in any parts of its operation within the University and its supply chain. For further information relating to the Modern Slavery Act statement, see <https://www.gla.ac.uk/legal/modernslaveryact/>

Sustainability strategy and delivery

Appointed by the Senior Management Group, the Sustainability Strategy and Delivery Board is responsible for overseeing the development and delivery of the University's Sustainability Strategy ('Glasgow Green: Towards a Climate Strategy and Action Plan for the University of Glasgow'). Court approved the strategy and receives an annual update on progress. Under the Strategy, the University is committed to a very significant plan of action to achieve carbon neutrality by 2030 and will seek the support of all members of the University community in addressing the climate emergency and making the University a leader in this field. The Strategy is published at <https://www.gla.ac.uk/myglasgow/sustainability/glasgowgreen/>

Going concern

The University's principal operations, together with the factors likely to affect its future development and its financial position are noted in the Strategies and Values, Operating Review and Financial Review sections.

At 31 July 2023 the University held cash and cash equivalents of £589.8m, while net current assets were £360.0m and the only external borrowings are private placement bonds of £245m on maturities from 2042 to 2057 and a £10m unsecured loan from the Scottish Funding Council that is fully repayable by 2030. The University complied with all covenant requirements for existing borrowing at 31 July 2023 and forecasts significant headroom in its covenant compliance throughout the going concern period to 31 January 2025.

Court has reviewed financial forecasts, including plans for future student recruitment, and after reviewing the assumptions utilised in the budget, it is satisfied that the University is expected to be able to meet its commitments and obligations until at least 31 January 2025 from the

CORPORATE GOVERNANCE STATEMENT

date of the signing of this report.

Accordingly, Court has concluded that it is correct to retain the going concern basis in preparing the financial statements. More information is provided in the Statement of Principal Accounting Policies on pages 63 to 67.

Elizabeth Passey
Convener of Court

22 November 2023

STATEMENT OF RESPONSIBILITIES OF COURT



David Duncan Chief Operating Officer and University Secretary

The University Court of the University of Glasgow (Court) is responsible for the administration and management of the affairs of the University. Its duties are formalised in a formal Statement of Primary Responsibilities, which is available on the University website at <https://www.gla.ac.uk/myglasgow/courtoffice/statementofprimaryresponsibilities/>. Amongst its duties, Court is required to present audited financial statements for each financial year.

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 all relevant Acts of Parliament, with the Statement of Recommended Practice on Accounting for Further and Higher Education issued in 2019, and with other relevant accounting standards (United Kingdom Generally Accepted Accounting Practice, Financial Reporting Standard 102). In addition, within the terms and conditions of a Financial Memorandum agreed with the Scottish Funding Council for Further and Higher Education (Scottish Funding Council), 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 financial statements to be prepared, Court has to ensure that suitable accounting policies are selected and applied consistently, judgements and estimates are made that are reasonable and prudent, applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and that the financial statements are prepared on the going concern basis unless it is inappropriate to assume that the University will continue in operation.

Court is satisfied that the University has prepared forecasts extending beyond the going concern assessment period. The University has adequate resources to continue in operation for the foreseeable future: for this reason, the going concern basis continues to be adopted in the preparation of the financial statements.

Court has a responsibility 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 of the Scottish Funding Council and any other conditions which the Scottish Funding Council may from time to time prescribe. Court also has a responsibility to 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; take reasonable steps to prevent and detect fraud and to ensure that reasonable steps have been taken to secure the economic, efficient and effective management of the University's resources and expenditure.

The key elements in the University's system of internal financial control, which is designed to discharge the responsibilities set out above, include:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets and regular reviews of academic performance and quarterly reviews of financial results and forecast out turns;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by Court;
- comprehensive Financial Regulations detailing financial controls and procedures; and

STATEMENT OF RESPONSIBILITIES OF COURT

- an Internal Audit service, the annual programme of which is approved by the Audit & Risk Committee.

The Audit & Risk Committee, on behalf of Court, has reviewed the effectiveness of the system of internal control. 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 is satisfied that there is an ongoing process for identifying, evaluating and managing the University's significant risks that has been in place for the year ended 31 July 2023 and for the period to the date of the approval of the reports and financial

statements. This process accords with the internal control guidance as applicable to the higher education sector.

The members of Court who hold office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the University's auditors are unaware; and each member of Court has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the University's auditors are aware of that information.

David Duncan
Chief Operating Officer and University Secretary

On behalf of Court
22 November 2023

UNIVERSITY POLICIES

Accounting policies

The University's financial statements have been prepared in accordance with the Statement of Principal Accounting Policies as set out on pages 63 to 67.

The format of the financial statements reflects the format as required by the 2019 SORP. The notes to the financial statements reflect best practice guidance given by the British Universities Finance Directors Group and also any requirements issued by the Scottish Funding Council in its Annual Accounts Direction and Guidance. Where a prior year restatement is required, this is disclosed within the Statement of Principal Accounting Policies.

Creditor policy

The University aims to pay all of its suppliers promptly. The terms of payment of the University are 30 days from the date of invoice but specific terms and conditions can be agreed for certain suppliers if required. As at 31 July 2023 the University's outstanding payments represented approximately 11 days' purchases compared to 12 days in 2022. The University has no matters to disclose under the Late Payment of Commercial Debts (Interest) Act 1998.

The financing and liquidity of the University and its exposure to financial risk is overseen by Court through the Finance Committee. Each year, as part of the financial budgeting process, five year rolling forecasts are prepared which consider the likely cash position given the assumed operational movements and planned investment in property, plant and equipment and working capital. There are also regular reviews of long-term cash flow scenario models. This enables the Finance Committee to consider any future borrowing requirements in a timely manner.

Treasury management

The University invests in funds to diversify its risk and the level of investment in these funds and fund performance is overseen by a separate investment committee. The University's remaining non-endowment cash balances are primarily held in the form of interest-bearing deposits and money market funds with financial institutions.

In accordance with University policy, the non-endowment cash balances of the University can be invested in temporary cash deposits with the major clearing banks, building societies and money market funds up to a pre-set maximum level of counter party capacity. Individual institutions must be rated at a minimum of BBB+ (as per Standard and Poor's long-term rating) with money market funds at a minimum of A+ rated. The maximum term for deposits is set at 12 months. Limits on individual institutions range from £50-100m.

The University is exposed to changing interest rates, although the exposure is viewed as low given that interest receivable was 1.74% of total income in the year (2022: 0.18%).

Ethical investment policy

It is the role of Court to set out the ethical platform on which the University's asset investments are managed. The University's approach is set out in the Socially Responsible Investment Policy which was approved by Court in October 2009 and updated in both 2018 and 2021. Court requires its investment managers to commit to socially responsible investment within their investment policies.

The University also prohibits direct investment in the tobacco industry and in controversial armaments and, since 2014, the Court has mandated restrictions in investment in fossil fuels. Court has committed to a phased reduction in the University's direct investment in the fossil fuel extraction industry. During the first phase of the divestment strategy, the central target weight of fossil fuel stocks in the Portfolio was limited to the lower of the aggregate Benchmark Index weight for fossil fuel stocks or 5.7%, operating within a control range to the central target weight of +0.5% / -0.7%. In June 2021, following the completion of a review, Court approved enhanced restrictions, with a reduction in the central target weight to 2.85% and corresponding reductions in the control range to +0.25% / -0.35%. This change was implemented by the University's fund managers by 31 July 2022. With effect from September 2023 the University has now fully divested from fossil fuels which means that Court has met its target of full divestment by 2024.

Tax strategy

The University is committed to transparent reporting and has published its tax strategy for 2023-24 on the University's website. The document addresses the University's approach to risk management and governance, attitude towards tax planning and the University's approach towards its dealings with HM Revenue & Customs (HMRC). For further information relating to the University's tax strategy, see website www.gla.ac.uk.

Public Sector Equality Duty

The Public Sector Equality Duty requires the University to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations when carrying out its activities.

The University has published a set of Equality Outcomes for 2021-2025 which are as follows:

- Improve our engaging and enabling culture for women through continued focus on increasing the percentage of senior women, growing the talent pipeline, and creating a positive campus culture
- By embracing diversity and respecting difference we take an anti-racist approach to race equality work and aim to address structural inequalities
- Implement a whole university approach to ensure disabled people can engage and thrive in campus opportunities
- Articulate and embed a values-led culture which

UNIVERSITY POLICIES

establishes the expected behaviours of students and staff

- Work towards an inclusive and respectful culture, which is free from violence, harassment, and bullying
- Learning and teaching is fully inclusive, accessible and promotes a global curriculum which is reflective of our community
- To engender a campus environment where wellbeing is integral, valued and strategically significant

The report setting these Equality Outcomes together with details of actions, resources/time frame and success measures/ intended impact is available, together with previously published reports, at: <https://www.gla.ac.uk/myglasgow/humanresources/equalitydiversity/equalityact/#publicsectorequalitydutyoverview>

Fair Working Practices

The University is committed to fair working practices and we demonstrate this in our values, policies and procedures and in how we deliver high quality services.

We have been a fully accredited Living Wage Employer since 2015 and we do not adopt inappropriate use of zero hour contracts. Our commitment to paying employees at least the Living Wage is complemented by our membership of the Scottish Business Pledge, a values-led partnership between Government and business. The Pledge encourages employers to adopt fair and progressive business workplace policies including supporting activities to improve gender balance and diversity in the workforce.

The University also currently holds an institutional Bronze Award from Athena SWAN in recognition of a commitment to provide the resources necessary to eliminate gender bias and create an inclusive culture that values female staff. Although Athena SWAN is focused on the STEM disciplines, the University's Senior Management Group and the Equality and Diversity Strategy Committee believe that the achievement of a Bronze Award has had a positive impact across the institution, on both male and female careers and across disciplines. The Schools and Research Institutes also hold their own Gold, Silver and Bronze level awards across 23 areas.

In our approach to fair working practices we provide the following:

- Opportunities for flexible working
- Support for learning and development
- Access to a range of employee assistance schemes
- Policies in relation to Equality and Diversity
- A consultative forum in place between Senior Management and the four campus trade unions

As we expect our suppliers and extended supply chain to take a similarly positive approach to workforce-related matters as part of a fair and equitable employment and reward package, prospective Suppliers are required to

advise on the fair working practices they would employ in the delivery of the contract they are bidding for.

Disability policy

The University is committed to the implementation of a policy to achieve equality of opportunity for students, members of staff, potential students, potential members of staff and lay members of Court and other governance committees, and to meeting the requirements of all relevant external legislation.

To enable the University to fulfil its mission statement, the aim is to build an inclusive and supportive environment which meets the needs of all staff, students and visitors to the University.

The Disability Policy provides a framework for promoting disability equality with the aim of identifying and removing any barriers which exist for disabled people using the University's facilities and enabling them to access as fully as possible all education, employment, social and leisure opportunities.

Equality and diversity policy

The University is committed to ensuring that the creativity, innovation and talents of its people are fully utilised. The University community is made up of a wide range of people with diverse backgrounds and circumstances, which is valued and regarded as a great asset.

The University has developed a policy that aims to challenge discrimination, promote and implement equality measures, progress social justice and to strive to ensure that no one is disadvantaged. The policy also looks to ensure that the University complies with all current and relevant anti-discrimination legislation. By adopting this policy the University accepts its responsibility to ensure that discrimination does not take place and that everyone in the University is treated equally and fairly.

Facility time publication requirements

The Trade Union (Facility Time Publication Requirements) Regulations 2017 implement Section 13 of the Trade Union Act 2016 (inserted in TULRCA 1992) which requires relevant public sector employers to report annually on paid time off provided to relevant trade union officials* for trade union duties and activities.

The regulations came into force on 1 April 2017 with the first reporting requirement to contain information up to 31 March 2018. The information for annual reporting is drawn up to 31 March each year and the following tables show the information reported for the year to 31 March 2023:

*Relevant union official refers to trade union officials, learning representatives or safety representatives.

UNIVERSITY POLICIES

Year to 31 March 2023

Table 1 - Relevant union officials

Number of employees who were relevant union officials during the relevant period	55
Full-time equivalent employee number	51.88

Table 2 - Percentage of time spent on facility time

0%	-
1%-50%	55
51%-99%	-
100%	-
	55

Table 3 - Percentage of pay bill spent on facility time

Total cost of facility time	£190k
Total pay bill	£448,497k
Percentage of the total pay bill spent on facility time (calculated as total cost of facility time / total pay bill * 100)	0.04%

Table 4 - Paid trade union activities

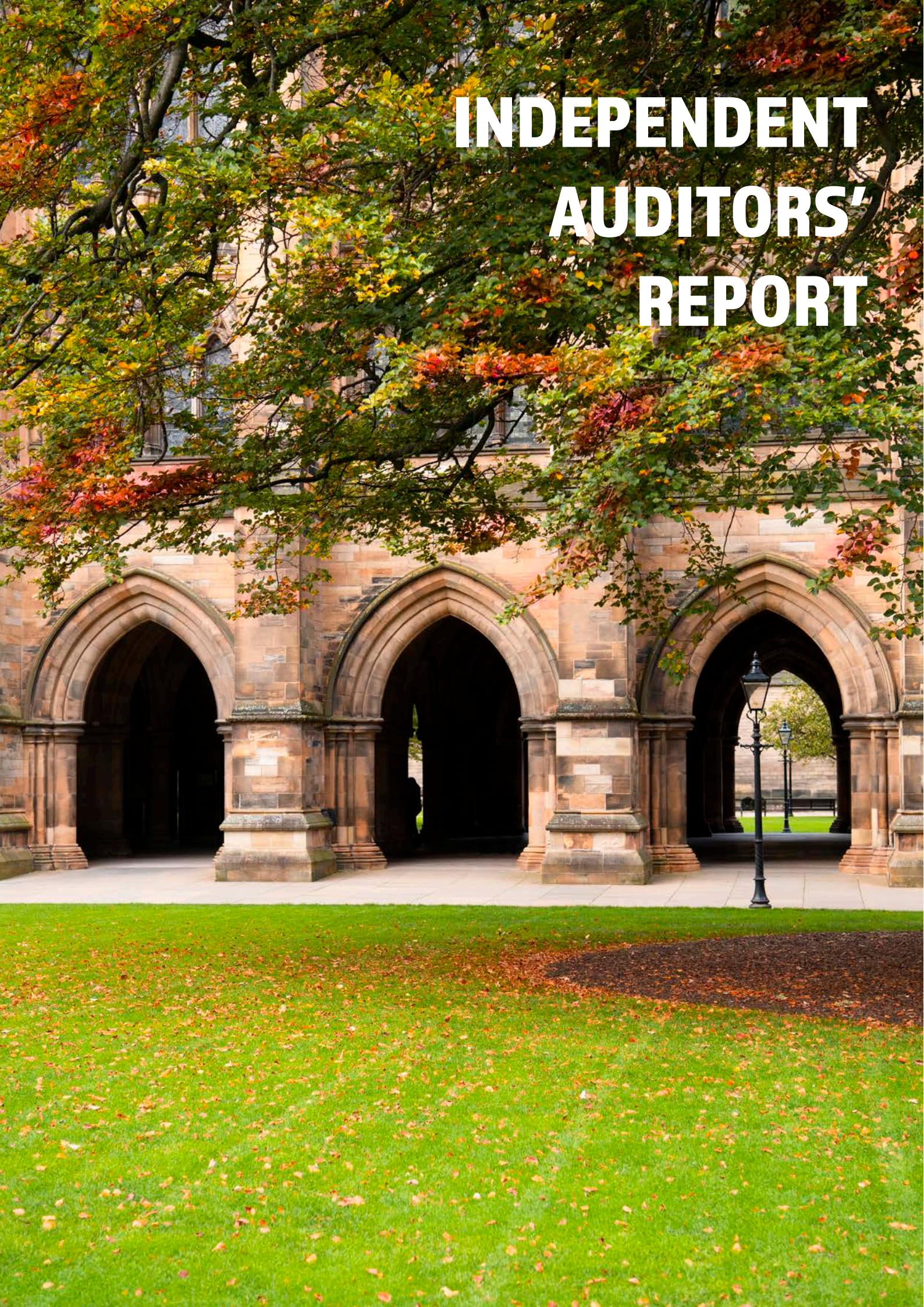
Time spent on paid trade union activities as a percentage of total paid facility time hours (calculated as (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100)	0.00%
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Professor Anton Muscatelli
Principal

Gavin Stewart
Chair of Finance Committee

Gregor Caldwell
Executive Director of Finance

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT TO THE UNIVERSITY OF GLASGOW (the "Institution")

Report on the audit of the financial statements

Opinion

In our opinion, the University of Glasgow's group financial statements and institution financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the institution's affairs as at 31 July 2023 and of the group's and institution's income and expenditure and recognised gains and losses, and of the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law);
- have been properly prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Reports and Financial Statements (the "Annual Report"), which comprise the Consolidated and Institution statement of financial position as at 31 July 2023; the Consolidated and Institution statement of comprehensive income, the Consolidated and Institution statement of changes in reserves, and the Consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and institution's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Court's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and institution's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Court with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Court is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

INDEPENDENT AUDITORS' REPORT TO THE UNIVERSITY OF GLASGOW (the "Institution")

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Annual Report

Under the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion, the information given in the Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Responsibilities of the Court for the financial statements

As explained more fully in the Statement of Responsibilities of Court set out on pages 53-54, the Court is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Court is also responsible for 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.

In preparing the financial statements, the Court is responsible for assessing the group's and institution's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Court either intends to liquidate the group and institution or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Based on our understanding of the institution/industry, we identified that the principal risks of non-compliance with laws and regulations related to employment laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to understatement of the surplus. Audit procedures performed included:

- Testing of journal entries with particular focus on unusual account combinations within income and expenditure;
- Challenging assumptions and judgements made by management in determining significant accounting estimates;
- Inquiries with management, including consideration of known or suspected instances of non-compliance with laws

INDEPENDENT AUDITORS' REPORT TO THE UNIVERSITY OF GLASGOW (the "Institution")

- and regulations and fraud;
- Review of the financial statements to assess compliance with relevant laws and regulations; and
- Review of minutes of key meetings.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the institution's Court as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulations made under that Act (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended)) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinions on other matters prescribed in the requirements attached to the Scottish Funding Council's Financial Memorandum

In our opinion, in all material respects:

- the requirements of the Scottish Funding Council's accounts direction have been met;
- funds from whatever source administered by the institution for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation and any other terms and conditions attached to them; and
- funds provided by the Scottish Funding Council have been applied in accordance with the requirements of the Scottish Funding Council's Financial Memorandum with Higher Education Institutions.

Charities Accounts (Scotland) Regulations 2006 (as amended) exception reporting

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

- sufficient accounting records have not been kept by the institution; or
- the institution financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
24 November 2023

FINANCIAL STATEMENTS



STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Accounting convention

The consolidated financial statements have been prepared in compliance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (SORP) (2019 edition) as they apply to the financial statements of the Group for the year ended 31 July 2023.

The University is a public benefit entity and has applied the relevant public benefit requirements of FRS 102.

The financial statements also conform to guidance published by the Scottish Funding Council.

Basis of preparation

The financial statements have been prepared under the historic cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £m (to one decimal place).

The University has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) not to produce a separate cash flow statement for the University as the parent entity.

Going Concern

The University's principal operations, together with the factors likely to affect its future development and its financial position are noted in the Strategy and Value, Operating Review, Financial Review and Governance sections.

At 31 July 2023 the Group held cash and cash equivalents of £611.5m, while net current assets were £379.9m and the only external borrowings are private placement bonds of £245m on maturities from 2042 to 2057 and a £10m unsecured loan from the Scottish Funding Council that is fully repayable by 2030. Subsequent to the year-end the University held cash and cash equivalents of £639.9m at 31 October 2023 and had no further borrowing in place. The University complied with all covenant requirements for existing borrowing at 31 July 2023 and, even on its most restrictive covenant, forecasts significant headroom of at least £36m in its covenant compliance at 31 July 2025.

The University Court has reviewed financial forecasts, including plans for future student recruitment, and after reviewing the assumptions utilised in the budget, it is satisfied that the University and Group is expected to be able to meet its commitments and obligations until at least 31 January 2025.

The 2023 budget, which fully covers the period of the going concern assessment up to 31 January 2025, has been prepared after consideration of known business risks and based on conservative financial assumptions. This projects positive operating cash surpluses each year.

Accordingly, Court has concluded that it is correct to retain the going concern basis in preparing the financial statements for both the Group and University.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the University of Glasgow, its subsidiary companies and unincorporated undertakings for the financial year to 31 July 2023. Also consolidated are the results of the University of Glasgow Trust, an independent charity, set up to collect donations and disburse them for the benefit of the University. The consolidated financial statements do not include the income and expenditure of the University of Glasgow Students' Unions as the University does not exert control or dominant influence over them.

Gains or losses on any intra group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated.

Income recognition

Income from the sale of goods or rendering of 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. Tuition fee income is stated net of any discounts and is credited to the Statement of Comprehensive Income over the period in which the students are studying. Bursaries and scholarships are accounted for gross as expenditure and are not netted from fee income.

Government grants, including funding body grants and research grants from 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.

Other grants and donations from non-government sources (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 is deferred in the Statement of Financial Position and released to the Statement of Comprehensive Income in line with such conditions being met.

Capital grants are recognised in income when the University is entitled to the income subject to any performance related conditions being met.

Investment income and appreciation of endowments are recorded in income in the year in which they arise and as either restricted or unrestricted income according to the terms of the restriction applied to the individual endowment funds.

Tangible assets

Tangible assets include items of equipment and plant and machinery (including software and vehicles) costing over £50k and capital building projects over £100k.

Costs incurred in relation to land and property after initial

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

purchase or construction, and prior to valuation, 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.

Tangible assets are stated at cost and depreciated on a straight-line basis as follows:

Buildings:

Structural	50+ years
Roofing	20-25 years
Electrical & mechanical	15-20 years
Fit out	5-10 years

Plant & machinery 15-30 years

Equipment Up to 10 years

Land and assets under construction are not depreciated.

Tangible assets are assessed for indicators of impairment at each year end date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

Assets are considered to be impaired if their recoverable value is less than book value. The recoverable amount of a tangible asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss on tangible assets, the prior impairment loss is reversed only to the extent that it does not lead to a revised carrying amount higher than if no impairment had been recognised.

Repairs and maintenance

Repairs and maintenance expenditure is recognised in the Statement of Comprehensive Income in the year it is incurred as it does not add value to the University estate and therefore is not appropriate to be capitalised. The University has a planned repairs and maintenance programme, which is reviewed on an annual basis.

Donated assets

Where they would have been treated as tangible assets had they been purchased by the University, donated assets of a significant value (such as gifts of equipment, works of art and property) are capitalised at their current value and depreciated in accordance with the tangible assets policy. The corresponding credit is recognised in the Statement of Comprehensive Income in the year the donated assets are received.

Heritage assets

The University holds heritage assets across several locations including The Hunterian and Archives & Special Collections.

It has not been possible to obtain reliable information on the cost or valuation of the collections held within The Hunterian and Archives & Special Collections. It is not considered practicable to obtain valuations for the artefacts defined as heritage assets owing to the diverse nature of the assets held, the number of assets held, the lack of comparable market values and the prohibitive cost associated with obtaining valuations. The University does not therefore recognise these assets on the Statement of Financial Position. In accordance with FRS 102, recent and future acquisitions which meet the definition of a heritage asset, not held for the University's core purpose of teaching and research, are recognised where a reliable valuation can be obtained at a cost that is commensurate with the benefits to the users of the financial statements. Where the cost of obtaining a valuation is not commensurate, details of such significant assets will be disclosed.

Expenditure which is required to preserve or clearly prevent further deterioration of individual collection items is recognised in the Statement of Comprehensive Income when it is incurred. The heritage assets are deemed to have indeterminate lives and therefore it is not considered appropriate to charge depreciation.

Further information on the collections and details of the University's management policy in respect of heritage assets is summarised in note 12.

Stocks

Stocks are valued at the lower of purchase cost or net realisable value and include stocks in the refectories, the halls of residence, the farm and at certain main stores. Other stocks held in academic departments are written off to the Statement of Comprehensive Income in the year in which the expenditure is incurred.

Investments

All investments will initially be recognised at cost and subsequently measured at fair value at each reporting date. Where fair value cannot be reliably measured or investments are not publicly traded, they will be measured at cost less impairment.

Investments in subsidiaries are carried at cost less impairment in the University's accounts.

All gains and losses on investment assets, both realised and unrealised are recognised in the Statement of Comprehensive Income as they accrue.

Joint ventures

The University accounts for its share of jointly controlled operations by recognising its share of the relevant assets, liabilities, income and expenditure in the Statement of Comprehensive Income.

The University accounts for its investments in jointly controlled entities where it is not the parent, as an investment at cost less impairment in the Statement of Financial Position.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Agency arrangements

Funds the University receives and disburses as the paying agent on behalf of a funding body or other body, where the institution is exposed to minimal risk and enjoys minimal economic benefit related to the receipt and subsequent disbursement of the funds, are excluded from the Statement of Comprehensive Income. The balances and movement on these funds are disclosed in note 27.

Taxation

The University is a charity within the meaning of Part 1, chapter 2, section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within the categories covered by section 287 CTA 2009 and sections 471, and 478-488 CTA 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. The University receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to tangible fixed assets is included in their cost.

The University's subsidiary companies are subject to corporation tax and VAT in the same way as any commercial organisation.

The charge for corporation tax is based on the profit or loss for the year, and recognises the tax effects of the proposed Gift Aid payment payable to the University. The charge for corporation tax includes deferred tax due to timing differences between the treatment of certain items for taxation and accounting purposes.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position include cash at bank and on hand and short-term investments with an original maturity date of 95 days or less.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

Cash and cash equivalents contain sums relating to endowment reserves which have yet to be passed to the investment fund managers. The University is restricted as to how they disburse these funds. Note 20 summarises the assets restricted in their use.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange on the transaction date. Monetary assets and liabilities denominated in foreign currencies are reported at the rates of exchange prevailing at the balance sheet

date. Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

The results of overseas operations are translated at the average rates of exchange during the period and their Statements of Financial Position at the rates prevailing at the year end date. Exchange differences arising from this translation of foreign operations are reported as an item of Other Comprehensive Income.

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in finance cost in the Statement of Comprehensive Income.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when the University has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed by way of a note when the definition of a provision is not met and includes three scenarios: possible rather than a present obligation; a possible rather than a probable outflow of economic benefits; an inability to measure the economic outflow.

Contingent assets are disclosed by way of a note, where there is a possible, rather than a present asset arising from a past event.

Employee benefits

a. Short-term employee benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year employees render service to the University. A liability is recognised at each year end date to the extent that employee holiday allowances have been accrued but not taken, the expense being recognised as staff costs in the Statement of Comprehensive Income.

b. Post-employment benefits (pensions)

The University participates in a number of defined benefit pension schemes. For the University of Glasgow Pension Scheme and the Strathclyde Pension Fund, the expected cost of providing pensions is recognised in the Statement of Comprehensive Income on a systematic basis over the period that relevant employees provide services to the University. Under FRS 102, past service costs are

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

recognised immediately. Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent terms and currency to the liability.

The net interest cost on the net defined benefit liability is charged to the Statement of Comprehensive Income and included within finance costs. Actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in Other Comprehensive Income.

For the other multi-employer schemes that the University participates in, it is not possible to identify each participating institution's share of the underlying assets and liabilities.

The amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the accounting period, excluding any extra costs incurred related to reducing scheme deficits already provided for. A liability is recorded within provisions for any contractual commitment to fund past deficits within the multi-employer schemes as determined by the scheme management. The associated expense is recognised in the Statement of Comprehensive Income.

Reserves

Reserves are allocated between restricted and unrestricted reserves. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund as the University must hold the fund in perpetuity. Other restricted reserves include balances through which the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

Leases

Rental costs incurred under operating leases are charged to expenditure on a straight-line basis over the period of the leases. Any lease premiums or incentives are spread over the minimum lease term.

Short-term debtors and creditors

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

Judgements and key sources of estimation uncertainty

The preparation of the financial statements and the application of accounting policies require management to make judgements, estimates and assumptions that affect

the amounts reported for assets and liabilities, income and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions and estimations that management has made in the process of applying the University's accounting policies and that have a significant risk of causing material adjustments to amounts recognised in the financial statements:

a. Retirement benefit obligations

The financial statements include pension liabilities of £305.6m (Consolidated) and £304.8m (University).

The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty.

In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency that are AA rated. Certain categories of bonds are removed from this universe e.g., where the bonds are considered to be sovereign backed. Based on the remaining dataset, a yield curve is constructed and applied to a set of sample cashflows which correspond to the expected duration of the defined benefit obligations to produce a single, cash-flow weighted discount rate assumption.

For the University of Glasgow Pension Scheme, the mortality rate is based on scheme-specific mortality tables constructed using analysis of the membership. Future salary increases and pension increases are based on expected future inflation rates for the respective country. Further details about the assumptions used in determining the pension liabilities are given in note 29.

b. Tangible assets - useful lives and impairment

Tangible assets represent a significant proportion of the University's total assets (£1,033.2m (Consolidated) and £1,020.1m (University)).

Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the University's reported performance.

Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experience with similar assets as well

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

as anticipation of future events.

At each reporting date, management make judgements as to whether any indicators of impairment are present for any of the University's tangible assets. If there is an indicator of impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit in the period it arises.

The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. If it is not possible to estimate the recoverable amount of the individual asset, management estimate the recoverable amount of a cash-generating unit (CGU).

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit in the period it arises.

c. Revenue recognition

Certain grants, donations and research revenue are recognised in the income statement as performance related conditions are met.

Management applies judgement in deferring income received for conditions not yet satisfied and accruing for income not yet received.

d. Classification of financial liabilities

All financial liabilities have been classified as basic financial instruments. In respect of the private placement bonds, judgement has been applied in determining the classification. As part of the agreements, the issuers of bonds who are based in the US have entered into cross currency swaps to ensure they are not adversely impacted by foreign exchange rate movements between USD and GBP, should the University repay the bonds early. We consider any resultant financial impact for the University to represent reasonable compensation for early repayment and as such have classified the liability as basic.

As a result, the financial liability is reflected in the financial statements at amortised cost.

CONSOLIDATED AND INSTITUTION STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 July 2023

	Note	Consolidated		University	
		2023	2022	2023	2022
		£m	£m	£m	£m
Income					
Tuition fees and education contracts	1	410.8	380.7	403.8	375.4
Funding body grants	2	185.9	179.0	185.9	179.0
Research grants and contracts	3	220.9	196.1	220.7	196.1
Other income	4	103.4	156.6	102.8	156.1
Investment income	5	23.2	9.5	23.0	9.5
Donations and endowments	6	8.0	7.5	8.0	7.5
Total income		952.2	929.4	944.2	923.6
Expenditure					
Staff costs	7	471.0	437.0	466.2	433.2
Movement on USS provision	29	(52.5)	215.6	(52.4)	215.0
Other operating expenses	8	364.7	305.8	366.0	306.5
Depreciation	11	41.3	36.6	40.6	36.1
Interest and other finance costs	9	7.0	7.7	7.0	7.7
Total expenditure		831.5	1,002.7	827.4	998.5
Surplus/(deficit) before other gains/(losses)		120.7	(73.3)	116.8	(74.9)
Loss on disposal of tangible assets		(0.6)	-	(0.6)	-
Gain on disposal of other investments		0.4	-	-	-
Gain/(loss) on investments	13	8.1	(0.1)	8.3	0.9
Surplus/(deficit) before tax		128.6	(73.4)	124.5	(74.0)
Taxation	10	(0.6)	(0.3)	-	-
Surplus/(deficit) after tax		128.0	(73.7)	124.5	(74.0)
Other comprehensive income/(loss)					
Unrealised exchange (loss)/gain		(0.2)	0.7	-	-
Actuarial (loss)/gain in respect of defined benefit pension schemes	29	(27.6)	47.8	(27.6)	47.8
Total comprehensive income/(loss) for the year		100.2	(25.2)	96.9	(26.2)
Represented by					
Endowment comprehensive income for the year		8.5	0.6	8.5	0.6
Restricted comprehensive income for the year		2.5	3.8	2.5	3.8
Unrestricted comprehensive income/(loss) for the year		89.2	(29.6)	85.9	(30.6)
		100.2	(25.2)	96.9	(26.2)

All items of income and expenditure relate to continuing activities.

The accompanying notes and policies on pages 72 to 102 form part of these financial statements.

CONSOLIDATED AND INSTITUTION STATEMENT OF CHANGES IN RESERVES

for the year ended 31 July 2023

Consolidated	Income & expenditure reserve			Total
	Endowment	Restricted	Unrestricted	
	£m	£m	£m	
Balance at 1 August 2021	225.2	26.2	766.3	1,017.7
Surplus/(deficit) for the year	0.6	3.8	(78.1)	(73.7)
Other comprehensive income	-	-	48.5	48.5
Total comprehensive income/(loss) for the year	0.6	3.8	(29.6)	(25.2)
Balance at 31 July 2022	225.8	30.0	736.7	992.5
Balance at 1 August 2022	225.8	30.0	736.7	992.5
Surplus for the year	8.5	2.5	117.0	128.0
Other comprehensive loss	-	-	(27.8)	(27.8)
Total comprehensive income for the year	8.5	2.5	89.2	100.2
Balance at 31 July 2023	234.3	32.5	825.9	1,092.7
University	Income & expenditure reserve			Total
	Endowment	Restricted	Unrestricted	
	£m	£m	£m	
Balance at 1 August 2021	225.2	26.2	756.6	1,008.0
Surplus/(deficit) for the year	0.6	3.8	(78.4)	(74.0)
Other comprehensive income	-	-	47.8	47.8
Total comprehensive income/(loss) for the year	0.6	3.8	(30.6)	(26.2)
Balance at 31 July 2022	225.8	30.0	726.0	981.8
Balance at 1 August 2022	225.8	30.0	726.0	981.8
Surplus for the year	8.5	2.5	113.5	124.5
Other comprehensive loss	-	-	(27.6)	(27.6)
Total comprehensive income for the year	8.5	2.5	85.9	96.9
Balance at 31 July 2023	234.3	32.5	811.9	1,078.7

The University's reserves comprise the following:

- The endowment reserve which represents the value of donations by individuals in the form of a gift which is to be invested. The income earned on that gift may be spent for a specific purpose and in certain circumstances the capital may be spent for that same specific purpose.
- The restricted reserve which represents the value of the retained surplus in the statement of comprehensive income and expenditure with donor restrictions on its distribution.
- The unrestricted reserve which represents the value of the University's accumulated funds through surpluses in the statement of comprehensive income and expenditure.

CONSOLIDATED AND INSTITUTION STATEMENT OF FINANCIAL POSITION

as at 31 July 2023

	Note	Consolidated		University	
		2023	2022	2023	2022
		£m	£m	£m	£m
Non-current assets					
Tangible assets	11	1,033.2	982.7	1,020.1	968.9
Investments	13	238.6	229.9	256.8	248.4
		1,271.8	1,212.6	1,276.9	1,217.3
Current assets					
Stock	14	0.8	0.8	0.5	0.6
Trade and other receivables	15	118.8	118.0	119.5	119.1
Cash and cash equivalents	21	611.5	583.2	589.8	565.4
		731.1	702.0	709.8	685.1
Creditors: amounts falling due within one year	16	(351.2)	(334.0)	(349.8)	(333.4)
Net current assets		379.9	368.0	360.0	351.7
Total assets less current liabilities		1,651.7	1,580.6	1,636.9	1,569.0
Creditors: amounts falling due after more than one year	17	(250.8)	(251.8)	(250.8)	(251.8)
Provisions					
Pension provisions	29	(305.6)	(333.2)	(304.8)	(332.3)
Other provisions	18	(2.6)	(3.1)	(2.6)	(3.1)
Total net assets		1,092.7	992.5	1,078.7	981.8
Restricted reserves					
Endowment reserve	19	234.3	225.8	234.3	225.8
Restricted reserve	20	32.5	30.0	32.5	30.0
Unrestricted reserve					
Income and expenditure reserve		825.9	736.7	811.9	726.0
Total reserves		1,092.7	992.5	1,078.7	981.8

The financial statements on pages 72 to 102 were approved by the University Court of the University of Glasgow on 22 November 2023 and were signed on its behalf by:

Professor Anton Muscatelli
Principal

Gavin Stewart
Chair of Finance Committee

Gregor Caldwell
Executive Director of Finance

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 July 2023

Consolidated

	Note	2023 £m	2022 £m
Cash flow from operating activities			
Surplus/(deficit) for the year before tax		128.6	(73.4)
Taxation		(0.6)	(0.3)
Surplus/(deficit) for the year		128.0	(73.7)
Adjustment for non-cash items			
Depreciation	11	41.3	36.6
Decrease in stock		-	0.2
Increase in debtors		(10.5)	(17.9)
Increase/(decrease) in creditors		22.1	(1.3)
Decrease in other provisions		(0.4)	(0.8)
Pension costs less contributions payable		(55.2)	221.8
Changes in values of endowment assets and other investments		(8.1)	0.1
Adjustment for investing and financing activities			
Investment income	5	(23.2)	(9.5)
Net expenditure/(income) on endowment assets	13	1.9	1.5
New endowments	6	(2.0)	(1.2)
Loss on disposal of non-current assets		0.6	-
Gain on disposal of investments		(0.4)	-
Loan finance included in creditors		1.0	1.0
Interest payable and other finance costs		6.9	6.8
Capital grant income		(21.7)	(16.7)
Net cash inflow from operating activities		80.3	146.9
Cash flow from investing activities			
Endowment assets acquired		(2.0)	(1.2)
Payments to acquire other investments		(0.5)	(0.4)
Receipts from the sale of other investments		0.4	-
Payments to acquire tangible assets		(88.7)	(86.0)
Proceeds from sale of tangible assets		-	-
Investment income	5	23.2	9.5
Capital grant receipts		21.7	16.7
Net cash outflow from investing activities		(45.9)	(61.4)
Cash flows from financing activities			
Interest paid and other finance costs		(6.9)	(6.8)
Repayment of unsecured loan		(1.0)	(1.0)
New endowments	6	2.0	1.2
Net cash outflow from financing activities		(5.9)	(6.6)
Currency translation		(0.2)	0.7
Increase in cash and cash equivalents in the year		28.3	79.6
Cash and cash equivalents at beginning of the year		583.2	503.6
Cash and cash equivalents at end of the year		611.5	583.2
Increase in cash and cash equivalents in the year		28.3	79.6

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

1 Tuition fees and education contracts

	Consolidated		University	
	2023	2022	2023	2022
	£m	£m	£m	£m
Home students	42.2	46.6	42.2	46.6
EU students	8.2	8.7	8.2	8.7
Rest of the UK students	23.6	23.0	23.6	23.0
Overseas students	310.8	281.5	303.8	276.2
Short courses	6.2	6.2	6.2	6.2
Other fees	1.6	1.2	1.6	1.2
Research support grants	18.2	13.5	18.2	13.5
	410.8	380.7	403.8	375.4

2 Funding body grants

	Consolidated		University	
	2023	2022	2023	2022
	£m	£m	£m	£m
Main teaching grant	98.7	96.5	98.7	96.5
Main quality research grant	55.8	49.9	55.8	49.9
Research postgraduate grant	8.6	8.6	8.6	8.6
Knowledge transfer grant	1.8	1.7	1.8	1.7
Infrastructure grants	11.6	10.6	11.6	10.6
Other funding council grants	9.4	11.7	9.4	11.7
	185.9	179.0	185.9	179.0

3 Research grants and contracts

	Consolidated		University	
	2023	2022	2023	2022
	£m	£m	£m	£m
Research Councils	86.4	77.5	86.4	77.5
UK Charities	49.7	48.8	49.7	48.8
UK Government	31.9	26.2	31.9	26.2
Research & development expenditure credit	0.2	-	-	-
European Union	15.8	16.2	15.8	16.2
UK industry	9.8	9.0	9.8	9.0
Overseas	15.9	12.0	15.9	12.0
Other sources	1.4	1.2	1.4	1.2
Capital grant income	9.8	5.2	9.8	5.2
	220.9	196.1	220.7	196.1

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

4 Other income

	Consolidated		University	
	2023	2022	2023	2022
	£m	£m	£m	£m
Residences and hospitality services	29.3	28.9	29.3	28.9
Other services rendered	46.1	95.7	42.6	93.0
Health authorities	5.4	5.1	5.4	5.1
Other income	22.3	26.0	25.2	28.2
Capital grant income	0.3	0.9	0.3	0.9
	103.4	156.6	102.8	156.1

5 Investment income

	Consolidated		University	
	2023	2022	2023	2022
	£m	£m	£m	£m
Income from expendable endowments	0.9	1.2	0.9	1.2
Income from permanent endowments	5.7	6.6	5.7	6.6
Income from short-term investments	16.6	1.7	16.4	1.7
	23.2	9.5	23.0	9.5

6 Donations and endowments

	Consolidated		University	
	2023	2022	2023	2022
	£m	£m	£m	£m
New endowments	2.0	1.2	2.0	1.2
Donations - restricted	5.2	6.1	5.2	6.1
Donations - unrestricted	0.8	0.2	0.8	0.2
	8.0	7.5	8.0	7.5

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

7 Staff costs

	Consolidated		University	
	2023	2022	2023	2022
	£m	£m	£m	£m
Salaries	338.6	313.0	334.5	309.8
Social security costs	36.4	33.4	36.0	33.1
Other pension costs	96.0	90.6	95.7	90.3
	471.0	437.0	466.2	433.2

Breakdown of other pension costs included in note 29.

By staff category:

Academic departments	198.6	170.4	196.8	168.9
Academic services	22.3	18.7	22.3	18.7
Research grants and contracts	88.5	83.7	88.5	83.7
Residences and hospitality services	2.8	2.1	1.6	1.6
Premises	16.4	13.8	16.4	13.8
Administration and other central services	28.4	23.0	28.2	22.7
Other income generating	18.0	34.7	16.7	33.5
Other pension costs	96.0	90.6	95.7	90.3
	471.0	437.0	466.2	433.2

There were no payments for loss of office greater than £0.1m during the year (2022: none). No payments for loss of office were made to employees who earned in excess of £0.1m during the year (2022: none).

	2023	2022
	Number	Number
Average full-time equivalent staff members for the year by major category:		
Academic departments	3,450	3,161
Academic services	520	470
Research grants and contracts	1,616	1,615
Residences and hospitality services	94	81
Premises	505	451
Administration and other central services	654	595
Other income generating	382	900
	7,221	7,273

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

7 Staff costs (continued)

	2023 £m	2022 £m
Remuneration of the Principal:		
Salary	0.3	0.3
Contributions in lieu of pension	0.1	0.1
Contribution in respect of pension	-	-
Total remuneration	0.4	0.4

The Principal received no taxable or non-taxable benefits-in-kind during the year to 31 July 2023 (2022: none).

Ratio of the Principal's remuneration to the median salary of a University staff member

9.52:1 9.62:1

In October 2017, Court decided that the role of Convener of Court should be remunerated at a rate of £500 a day up to a maximum of 50 days a year. In November 2022 Court agreed to uplift this rate to £550 a day. The remuneration earned in the year ended 31 July 2023 was £15k (2022: £12.4k). In the year ended 31 July 2023, payments of £1.8k (2022: £nil) were also made to one member of Court in respect of loss of earnings.

Key Management Personnel

Key management personnel are the members of the Senior Management Group who have authority and responsibility for planning, directing and controlling the activities of the University. Total remuneration (including pension contributions) in respect of these employees is £3.1m (2022: £3.1m).

Remuneration of higher paid staff, including NHS merit awards, but excluding employer's pension contributions, termination payments, consultancy fees and distributions from shares in spin out companies fell within the ranges shown on the following page. Clinical academics' base salaries are set using NHS salary scales.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

7 Staff costs (continued)

	2023			2022		
	Non-clinical staff	Clinical staff	Key management personnel	Non-clinical staff	Clinical staff	Key management personnel
	Number	Number	Number	Number	Number	Number
£100,001 - £110,000	80	11	-	59	18	-
£110,001 - £120,000	45	21	1	41	11	-
£120,001 - £130,000	26	7	-	16	7	1
£130,001 - £140,000	10	7	-	15	4	3
£140,001 - £150,000	12	6	3	6	5	4
£150,001 - £160,000	5	7	2	3	14	1
£160,001 - £170,000	6	14	2	4	12	1
£170,001 - £180,000	3	7	1	3	3	-
£180,001 - £190,000	3	4	1	3	2	-
£190,001 - £200,000	1	3	-	1	3	-
£200,001 - £210,000	1	5	-	3	6	2
£210,001 - £220,000	-	1	1	-	2	-
£220,001 - £230,000	2	2	-	-	1	-
£230,001 - £240,000	-	1	-	-	-	2
£240,001 - £250,000	1	-	2	-	1	-
£250,001 - £260,000	-	2	-	-	-	-
£260,001 - £270,000	-	-	-	-	-	-
£270,001 - £280,000	-	-	-	-	-	-
£280,001 - £290,000	-	-	-	-	-	-
£290,001 - £300,000	1	-	-	-	-	-
£300,001 - £310,000	-	-	-	-	1	-
£310,001 - £320,000	-	1	-	-	-	-
£320,001 - £330,000	-	-	-	1	-	-
£330,001 - £340,000	-	-	-	-	-	-
£340,001 - £350,000	1	-	-	-	-	-
£350,001 - £360,000	-	-	-	-	-	-
£360,001 - £370,000	-	-	-	-	-	1
£370,001 - £380,000	-	-	1	-	-	-

The Principal is included in the table above.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

8 Other operating expenses

	Consolidated		University	
	2023	2022	2023	2022
	£m	£m	£m	£m
Academic departments	116.1	103.7	116.1	103.7
Academic services	23.7	17.9	23.7	17.9
Research grants and contracts	80.6	69.5	80.6	69.5
Residences and hospitality services	23.3	23.0	23.3	23.0
Premises	68.5	42.6	68.5	42.6
Administration and other central services	35.6	30.7	42.0	34.1
Agency staff	3.8	3.9	3.8	3.9
Other income generating	13.1	14.5	8.0	11.8
	364.7	305.8	366.0	306.5

	Consolidated	
	2023	2022
	£m	£m
Other operating expenses include:		
Operating lease rentals - land and buildings	9.9	4.0
External auditors' remuneration		
• audit and assurance related services	0.5	0.4
• non-audit related services	0.2	0.2
Internal auditors' remuneration		
• audit and assurance related services	0.3	0.3
• non-audit related services	0.2	0.3

9 Interest and other finance costs

	Consolidated		University	
	2023	2022	2023	2022
	£m	£m	£m	£m
Interest on private placement bonds	6.5	6.5	6.5	6.5
Interest on unsecured loan	-	-	-	-
Other finance costs	0.4	0.3	0.4	0.3
Net cost on pension schemes	0.1	0.9	0.1	0.9
	7.0	7.7	7.0	7.7

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

10 Taxation

	Consolidated	
	2023	2022
	£m	£m
UK corporation tax at 21% (2022: 19%)	0.1	-
Singapore corporation tax at 17% (2022: 17%)	0.5	0.3
Total tax expense	0.6	0.3

Reconciliation of current corporation tax charge:

Surplus/(deficit) before taxation	128.6	(73.4)
Surplus/(deficit) before taxation multiplied by the average standard rate of corporation tax in the UK of 21% (2022: 19%)	27.0	(14.0)
Effect of:		
(Deduction)/add back for surplus/(deficit) falling within charitable exemption	(26.3)	14.4
Effect of tax rates in foreign jurisdiction	(0.1)	(0.1)
Total tax expense	0.6	0.3

11 Tangible assets

	Consolidated				
	Freehold land and buildings	Equipment	Plant and machinery	Assets under construction	Total
	£m	£m	£m	£m	£m
Cost:					
At 1 August 2022	1,017.7	162.3	11.6	169.0	1,360.6
Additions	-	23.4	-	69.0	92.4
Transfers	125.1	-	-	(125.1)	-
Disposals	-	(1.1)	-	-	(1.1)
At 31 July 2023	1,142.8	184.6	11.6	112.9	1,451.9
Accumulated depreciation:					
At 1 August 2022	242.8	132.4	2.7	-	377.9
Charge for the year	28.0	12.8	0.5	-	41.3
Disposals	-	(0.5)	-	-	(0.5)
At 31 July 2023	270.8	144.7	3.2	-	418.7
Net Book Value:					
At 31 July 2023	872.0	39.9	8.4	112.9	1,033.2
At 1 August 2022	774.9	29.9	8.9	169.0	982.7

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

11 Tangible assets (continued)

	University				Total £m
	Freehold land and buildings £m	Equipment £m	Plant and machinery £m	Assets under construction £m	
Cost:					
At 1 August 2022	1,012.1	162.3	-	169.0	1,343.4
Additions	-	23.4	-	69.0	92.4
Transfers	125.1	-	-	(125.1)	-
Disposals	-	(1.1)	-	-	(1.1)
At 31 July 2023	1,137.2	184.6	-	112.9	1,434.7
Accumulated depreciation:					
At 1 August 2022	242.1	132.4	-	-	374.5
Charge for the year	27.8	12.8	-	-	40.6
Disposals	-	(0.5)	-	-	(0.5)
At 31 July 2023	269.9	144.7	-	-	414.6
Net Book Value:					
At 31 July 2023	867.3	39.9	-	112.9	1,020.1
At 1 August 2022	770.0	29.9	-	169.0	968.9

Property owned by the University includes academic buildings, student residences and other associated properties including a conference centre, a sports centre, museum and art gallery, none of which are considered to be inalienable.

Freehold land and buildings (Consolidated and University) includes £94.7m of land (2022: £94.7m) which is not depreciated and £112.9m (2022: £169.0m) of assets that are under construction and have not yet received a charge for depreciation.

12 Heritage assets

Reliable information on cost or valuation cannot be obtained for the vast majority of collections held within the Hunterian and Archives & Special Collections. This is because of the diverse nature of the assets held, the number of assets held and the lack of comparable market values. The University does not therefore recognise these assets in the Statement of Financial Position unless a reliable valuation can be obtained at a cost that is commensurate with the benefits to the users of the financial statements.

The University holds heritage assets across several locations with the main collections in the following areas:

The Hunterian

The Hunterian at the University of Glasgow is Scotland's oldest public museum and the collections are recognised by the Scottish Government as being of national significance. The Hunterian has full Accreditation through Museums Galleries Scotland and is only the third Scottish museum and gallery to have been approved for Immunity from Seizure cover from the Scottish Government. The Hunterian is home to over 1.5m items ranging from fossils to coins and medals. The Hunterian Museum houses specific collections such as a permanent display based around the life and work of Lord Kelvin and displays dedicated to the history of

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

12 Heritage assets (continued)

medicine in Scotland, which include the eminent Scottish physician and obstetrician, William Hunter's own medical collection from the 18th century. There were no significant additions or disposals at the Hunterian Museum during the financial year.

The Hunterian Art Gallery includes works by the Scottish colourists Peplow and Cadell and a display of works drawn from the estate of the American artist James McNeill Whistler, bequeathed to the Hunterian in 1958. The Charles Rennie Mackintosh Collection is the largest single holding of his work comprising over 800 drawings, designs and watercolours. During the year the Hunterian Art Gallery was bequeathed works by Charles Rennie Mackintosh and Edward Atkinson Hornel and a work by James McNeill Whistler was donated. These works have not been recognised in the Statement of Financial Position as the University considers that the cost of obtaining external valuations of the works is not commensurate with the benefits to users of the financial statements.

The Anatomy Museum and Zoology Museum are also managed by The Hunterian. The anatomy collections consist of William Hunter's medical teaching material from his career and range from wet specimens to skeletal material. The Zoology Museum houses most of the major groups of animals but has particular strength in insects, which constitutes 90% of the 600,000 specimens. There were no significant additions or disposals at the Anatomy or Zoology Museums during the financial year.

At Kelvin Hall, the University has created The Hunterian Collections Study Centre which offers a state-of-the-art environment for research, teaching and training. These unique facilities allow the University to build on its international reputation for collections and object-based pedagogies, offering much greater access to the collections while forging new academic and educational practice. To date, approximately 85% of the collection has been relocated to the new facilities, the remaining collections will move over the course of the next few years.

During the financial year, the Hunterian Museum, Hunterian Art Gallery and the Mackintosh House were open Tuesday to Sunday from 10am to 5pm. The Zoology Museum was open Monday to Friday from 9am to 5pm.

The Hunterian's policy for the acquisition, preservation, management and disposal of heritage assets can be found at: http://www.gla.ac.uk/media/media_287267_en.pdf.



Students study works of art at the Hunterian Art Gallery

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

12 Heritage assets (continued)

Archives and Special Collections

The University of Glasgow's Archives & Special Collections is one of the foremost resources in Scotland for academic research and teaching. The collection has been built up over a period of more than 500 years and now contains more than 0.2m manuscript items and approximately 0.2m printed works, including over 1,000 incunabula (books published before 1501). The collection covers a wide range of subjects including humanities, social and economic history and the history of science and medicine. Holdings in areas such as medieval and renaissance manuscripts and emblem literature are of world importance. The collection also includes the official records of the University created and accumulated since its foundation in 1451, including University related records deposited by staff, alumni and associated organisations, and the records of predecessor institutions. It also manages the Scottish Business Archive consisting of collections of historical business records dating from the 18th century to the present day.

During the financial year, Archives & Special Collections was open by appointment Monday to Friday 9.30am to 4.30pm; in addition, virtual appointments were provided on demand. Information about the Archives & Special Collections policy for the acquisition, preservation and management and disposal of heritage assets can be found at: <https://www.gla.ac.uk/myglasgow/archivespecialcollections/collectionsdevelopmentpolicy/> and https://www.gla.ac.uk/media/Media_591723_smxx.pdf.

During the year a notebook containing the student dictates of Colin MacLaurin, additions to the Scottish Youth Theatre archive and books from the Blavatnik Honresfield Library were accessioned to Archives & Special Collections. The 25 volumes from the Blavatnik Honresfield Library form a very small portion of a library saved for the nation by the Friends of National Libraries (FNL), the leading UK charity devoted to saving the nation's written and printed heritage. This library was formed towards the end of the 19th century by William Law (1836-1901), a Rochdale mill owner, who created an exceptional collection of English and Scottish manuscripts and printed books which had the Brontës at its heart, as well as manuscripts in the hands of Jane Austen, Robert Burns and Sir Walter Scott and a significant collection of printed books. The library was dispersed to institutions across the UK, and our portion contains volumes of early printed editions of Thomas Pennant, Tobias Smollett, Burnsiana and Victorian ghost stories. These items have not been recognised in the Statement of Financial Position as the University considers that the cost of obtaining external valuations of the items is not commensurate with the benefits to users of the financial statements. There were no significant disposals during the financial year.

13 Investments

	Consolidated				Total £m
	Treasury stock £m	Unlisted investments £m	Listed investments £m	Endowment assets £m	
At 1 August 2022	1.5	2.4	0.2	225.8	229.9
Additions	-	0.4	0.1	2.0	2.5
Disposals	-	-	-	-	-
Net expenditure	-	-	-	(1.9)	(1.9)
Change in market value	(0.1)	-	(0.2)	8.4	8.1
At 31 July 2023	1.4	2.8	0.1	234.3	238.6

All investments are stated at market value, except unlisted investments which are stated at cost less impairment.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

13 Investments (continued)

Consolidated as at 31 July 2023

Unlisted investments	£m	Listed investments	£m	Endowment assets	£m
Epidarex Capital II, LP	1.5	Sorrento Therapeutics Inc	0.1	Equities	202.8
Epidarex Capital III, LP	0.6			Fixed interest	19.7
Causeway Therapeutics Limited	0.2			Cash and cash equivalents	11.8
Clyde Hydrogen Systems Limited	0.1				
Keltic Pharma Limited*	0.1				
Nami Surgical Limited*	0.1				
CVCP Properties PLC	0.1				
Other	0.1				
	2.8		0.1		234.3

*Investment includes convertible loans

Cash and cash equivalents within endowment assets comprises £11.3m (2022: £10.5m) which is held between the two external investment managers to facilitate portfolio management and £0.5m (2022: £0.4m) held by the University of Glasgow awaiting transfer to investment managers for investment.

University

	Treasury stock	Unlisted investments	Listed investments	Endowment assets	Total
	£m	£m	£m	£m	£m
At 1 August 2022	1.5	21.1	-	225.8	248.4
Additions	-	-	-	2.0	2.0
Disposals	-	-	-	-	-
Net expenditure	-	-	-	(1.9)	(1.9)
Change in market value	(0.1)	-	-	8.4	8.3
At 31 July 2023	1.4	21.1	-	234.3	256.8

All investments are stated at market value, except unlisted investments which are stated at cost less impairment.

University as at 31 July 2023

Unlisted investments	£m	Listed investments	£m	Endowment assets	£m
Subsidiary undertakings*	21.0		-	Equities	202.8
Other	0.1			Fixed interest	19.7
				Cash and cash equivalents	11.8
* (analysed over the page)					
	21.1		-		234.3

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

13 Investments (continued)

Subsidiary undertakings comprise the following companies and charity that are incorporated in the consolidated financial statements:

Subsidiary Undertaking	Country of Registration	Principal Activity	% Holding	£m
GU Holdings Limited	Scotland	Holding company for investments	100%	1.8
GU Heritage Retail Limited	Scotland	Sales of University branded products, memorabilia and miscellaneous gifts	*100%	-
UOG Commercial Ltd	Scotland	Provision of catering facilities	*100%	-
Kelvin Nanotechnology Limited	Scotland	Provision of nanotechnology services	**100%	0.2
UOG Utilities Supply Company Limited	Scotland	Provision of heat and power supplies to the University	100%	19.0
UGlasgow Singapore Pte. Limited	Singapore	Provision of education programmes	100%	-
Adam Smith School of Business and Management Limited	Scotland	Dormant	*100%	-
Glasgow Business School Limited	Scotland	Dormant	*100%	-
Glasgow International College	Scotland	Dormant	*100%	-
The Hunterian Limited	Scotland	Dormant	*100%	-
RFIOT Ltd	Scotland	Dormant	*100%	-
Small Animal Hospital Ltd	Scotland	Dormant	100%	-
University of Glasgow Press Limited (The)	Scotland	Dormant	*100%	-
UOG Clinical Services Ltd	Scotland	Dormant	100%	-
UGlasgow Education Pte. Limited	Singapore	Dormant	***100%	-
University of Glasgow Trust	Scotland	An independent charity (SC008303) set up to collect donations and disburse them for the benefit of the University		-
				21.0

* shareholding held via GU Holdings Limited

**>99% direct interest held with remaining shareholding held via GU Holdings Limited

***shareholding held via UGlasgow Singapore Pte. Limited

14 Stock

	Consolidated		University	
	2023	2022	2023	2022
	£m	£m	£m	£m
Raw materials & supplies	0.5	0.5	0.4	0.5
Finished goods	0.3	0.3	0.1	0.1
	0.8	0.8	0.5	0.6

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

15 Trade and other receivables

	Consolidated		University	
	2023	2022	2023	2022
	£m	£m	£m	£m
Research grants and contracts	62.9	57.0	62.9	57.0
Prepayments and other sundry debtors	45.9	45.4	45.2	44.7
Salaries recoverable externally	3.8	3.6	3.8	3.6
Courses, consultancies and contracts	6.2	12.0	6.2	12.0
Amounts due from subsidiaries	-	-	1.4	1.8
	118.8	118.0	119.5	119.1

There are no debtors due after more than one year in both the current and the prior year.

16 Creditors: amounts falling due within one year

	Consolidated		University	
	2023	2022	2023	2022
	£m	£m	£m	£m
Unsecured loan	1.0	1.0	1.0	1.0
Research grants and contracts	134.6	136.9	134.6	136.9
Sundry creditors	52.4	45.6	51.7	45.0
Accruals and sundry provisions	118.3	110.9	117.1	110.1
Courses, consultancies and contracts	34.4	28.2	34.4	28.2
Other taxation and social security	10.5	11.4	10.4	11.3
Amounts due to subsidiaries	-	-	0.6	0.9
	351.2	334.0	349.8	333.4

Included within creditors: amounts falling due within one year are the following items of income which have been deferred until specific performance related conditions have been met:

	Consolidated		University	
	2023	2022	2023	2022
	£m	£m	£m	£m
Deferred income				
Research grants (within research grants and contracts)	115.4	104.0	115.4	104.0
Other income (within courses, consultancies and contracts)	24.4	21.7	24.4	21.7
	139.8	125.7	139.8	125.7

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

17 Creditors: amounts falling due after more than one year

	Consolidated		University	
	2023	2022	2023	2022
	£m	£m	£m	£m
Unsecured loan	5.8	6.8	5.8	6.8
Private placement bonds	245.0	245.0	245.0	245.0
	250.8	251.8	250.8	251.8

Analysis of unsecured loan

Due within one year	1.0	1.0	1.0	1.0
Due within two to five years	3.0	3.0	3.0	3.0
After more than five years	1.8	2.8	1.8	2.8
	5.8	6.8	5.8	6.8

The University has an unsecured loan from the Scottish Funding Council of £10m for a 10-year term maturing in March 2030 at a rate of 0.25% per annum.

	Amount borrowed	Coupon rate	Term	Bonds maturity
	£m	%	Years	Year
Analysis of unsecured private placement bonds				
2016 Series A	30.0	2.97%	30	2046
2016 Series B	40.0	3.01%	35	2051
2017 Series A	92.0	2.49%	25	2042
2017 Series B	40.0	2.55%	30	2047
2017 Series C	43.0	2.48%	40	2057
	245.0			

18 Other provisions

	Consolidated and University		
	Funded pension liability	Unfunded pension liability	Total
	£m	£m	£m
At 1 August 2022	2.2	0.9	3.1
Utilised in year	(0.2)	-	(0.2)
Statement of Comprehensive Income and Expenditure	(0.2)	(0.1)	(0.3)
At 31 July 2023	1.8	0.8	2.6

These provisions relate to the University's obligation for the following additional pension arrangements with attaching benefits:

- Funded and unfunded St Andrews College SPPA pensions
- Funded and unfunded Local Government Scheme pensions

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

19 Endowment reserve

	Consolidated and University				
	Unrestricted Permanent	Restricted Permanent	Restricted Expendable	2023 Total	2022 Total
	£m	£m	£m	£m	£m
Balance at 1 August					
Capital value	1.9	156.5	32.6	191.0	190.1
Accumulated income	0.6	28.9	5.3	34.8	35.1
	2.5	185.4	37.9	225.8	225.2
New endowments	-	1.1	0.9	2.0	1.2
Investment income	0.1	5.6	0.9	6.6	7.8
Expenditure	-	(6.8)	(1.7)	(8.5)	(9.3)
Increase in market value	-	6.9	1.5	8.4	0.9
At 31 July	2.6	192.2	39.5	234.3	225.8

Represented by:

Capital value	2.0	164.0	34.4	200.4	191.0
Accumulated income	0.6	28.2	5.1	33.9	34.8
	2.6	192.2	39.5	234.3	225.8

Analysis by type of purpose:

Lectureships	2.6	78.4	23.3	104.3	100.7
Scholarships and bursaries	-	99.0	15.9	114.9	110.8
Prize funds	-	8.3	0.2	8.5	8.1
General	-	6.5	0.1	6.6	6.2
	2.6	192.2	39.5	234.3	225.8

20 Restricted reserve

	Consolidated and University			
	Capital grants	Donations	2023 Total	2022 Total
	£m	£m	£m	£m
At 1 August	-	30.0	30.0	26.2
Research	-	1.8	1.8	0.9
New donations	-	5.2	5.2	6.1
Expenditure	-	(4.5)	(4.5)	(3.2)
Capital grant income	21.7	-	21.7	16.7
Capital grants utilised	(21.7)	-	(21.7)	(16.7)
At 31 July	-	32.5	32.5	30.0

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

21 Cash and cash equivalents

	Consolidated	
	2023	2022
	£m	£m
At 1 August	583.2	503.6
Cash inflow for the year	28.3	79.6
At 31 July	611.5	583.2

22 Consolidated reconciliation of net cash

	Consolidated	
	2023	2022
	£m	£m
At 1 August	334.5	254.5
Movement in cash and cash equivalents	28.3	79.6
Additions to other investments	0.5	0.4
Movement in unsecured loan	1.0	1.0
Change in market value	(0.3)	(1.0)
At 31 July	364.0	334.5

Analysis of net cash:

Non-current Investments (excluding endowment assets)	4.3	4.1
Cash and cash equivalents	611.5	583.2
Unsecured loan	(6.8)	(7.8)
Private placement bonds	(245.0)	(245.0)
At 31 July	364.0	334.5

23 Commitments

	Consolidated		University	
	2023	2022	2023	2022
	£m	£m	£m	£m
Contracted at 31 July but not accrued	23.4	62.5	23.4	62.5
Authorised but not contracted at 31 July	44.1	61.3	44.1	61.3
	67.5	123.8	67.5	123.8

Commitments all relate to the University's capital programme, with £53.0m (2022: £104.0m) being for the campus redevelopment programme.

24 Contingent liability (Consolidated and University)

There are no contingent liabilities.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

25 Leases

The total of future minimum lease payments under non-cancellable operating leases for land and buildings for each of the following periods:

	Consolidated and University		
	2023	2022	2022 as
	£m	Restated £m	Previously Reported £m
Lease commitments as a lessee:			
Within one year	21.0	8.0	21.6
In two to five years	46.2	22.4	35.3
After more than five years	1.4	1.7	1.7
	68.6	32.1	58.6

The total of future minimum lease payments receivable under non-cancellable operating leases for land and buildings for each of the following periods:

Lease payments receivable as a lessor:

Within one year	-	-	7.7
In two to five years	-	-	7.3
After more than five years	-	-	-
	-	-	15.0

Following a review of leases held by the University, management has concluded that a number of the agreements should not be accounted for as operating leases. The operating lease commitment amounts for 2022 have been updated to reflect this.

26 Events after the reporting period (Consolidated and University)

No material adjusting or non-adjusting events after the reporting period have been identified.

27 Amounts disbursed as agent

	Consolidated and University				
	HE	HE	HE	2023	2022
	Childcare £m	Discretionary £m	Covid £m	Total £m	Total £m
At 1 August	-	-	0.1	0.1	1.7
Funds received in year	0.1	1.5	-	1.6	1.5
Expenditure	(0.2)	(1.5)	-	(1.7)	(3.1)
Virements	0.1	(0.1)	-	-	-
Return of funds	-	0.1	(0.1)	-	-
At 31 July	-	-	-	-	0.1

Analysis of closing balance

Advance of funds for next academic year	-	-	-	-	0.1
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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

27 Amounts disbursed as agent (continued)

The University acts solely as a paying agent for these student support funds. The amounts received and the corresponding disbursements by the University are excluded from the Statement of Comprehensive Income.

28 Disclosure of related party transactions

Due to the nature of the University's operations and the composition of the University Court of the University of Glasgow (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 normal procurement procedures.

In accordance with the 2017 Scottish Code of Good HE Governance, all members of Court are required to complete a register of interests to record any areas of potential conflict with the interests of the University.

No material transactions have taken place during the year and there were no material balances at the year-end.

29 Pension schemes

The University participates in the following pension schemes:

- a) The Universities Superannuation Scheme (USS)
- b) The University of Glasgow Pension Scheme (UGPS)
- c) The Strathclyde Pension Fund (SPF)
- d) The National Employment Savings Trust (NEST):
 - i) NEST Autoenrol; and
 - ii) NEST Contractual
- e) The Scottish Teachers' Superannuation Scheme (STSS)
- f) The NHS Superannuation Scheme (Scotland) (NHSSS)
- g) The Medical Research Council Pension Scheme (MRCPS)

Total pension costs for the year were:

	Consolidated		University	
	2023	2022	2023	2022
	£m	£m	£m	£m
USS - contributions payable	82.3	72.6	82.2	72.4
UGPS - charge to income statement	8.0	12.2	8.0	12.2
SPF - charge to income statement	0.1	0.2	0.1	0.2
Other schemes - contributions paid	5.6	5.6	5.4	5.5
Total pension costs at 31 July	96.0	90.6	95.7	90.3

Members of the USS and UGPS schemes give up a portion of their contractual gross pay equal to their employees' pension contribution as part of an HMRC approved salary sacrifice scheme. Members may opt out of this scheme if they so wish and no changes to staff pensionable salaries or total pension scheme contributions arise from this arrangement. The figures within note 7 to the financial statements reflect the reduced gross pay earned by staff under this arrangement. The total pension costs shown above and in note 7 reflect the increased employer contributions under this arrangement. Employer contribution percentage rates quoted below represent only the employer's contribution rates specified by the scheme trustees.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

29 Pension schemes (continued)

For both UGPS and SPF, pension costs are assessed in accordance with the advice of the actuaries, based on the latest actuarial valuation of the scheme. The expected cost of providing staff pensions is recognised in the income and expenditure account on a systematic basis over the expected average remaining lives of members of the pension funds, in accordance with FRS 102 and recognises retirement benefits as the benefits are earned and not when they are due to be paid. In accordance with the requirements of FRS 102, any surplus in these schemes is only recognised as a pension asset to the extent that it can be recovered either through reduced contributions in the future or through refunds from the schemes.

The consolidated balances for USS, UGPS and SPF as shown in the financial statements and associated notes are as follows:

	Consolidated		University	
	2023	2022	2023	2022
	£m	£m	£m	£m
Pension provisions at 1 August:				
USS deficit reduction plan provision	(267.7)	(320.2)	(266.9)	(319.3)
UGPS net deficit in the scheme	(37.9)	(13.0)	(37.9)	(13.0)
SPF net surplus in the scheme	-	-	-	-
Total pension provisions at 31 July	(305.6)	(333.2)	(304.8)	(332.3)

As shown at note 29 (c), SPF had a net surplus of £11.3m as at 31 July 2023 (2022: £8.4m). This surplus was not recognised as a pension asset in the financial statements as it does not meet the recognition criteria set out in FRS 102.

Amount recognised in other comprehensive income/(loss):

UGPS	(27.3)	47.8	(27.6)	47.8
SPF	(0.3)	-	-	-
Total (loss)/gain for the year	(27.6)	47.8	(27.6)	47.8

Interest and other finance costs:

UGPS	(0.4)	(1.0)	(0.4)	(1.0)
SPF	0.3	0.1	0.3	0.1
Total net finance cost	(0.1)	(0.9)	(0.1)	(0.9)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

29 Pension schemes (continued)

a) USS

The university and its subsidiary, Kelvin Nanotechnology Limited, participate in the Universities Superannuation Scheme. The assets of the Scheme are held in a separate trustee-administered fund. Due to the mutual nature of the Scheme, the assets are not attributed to individual institutions and a Scheme-wide contribution rate is set. The University and its subsidiary are therefore exposed to actuarial risks associated with other institutions' employees and are unable to identify their share of the underlying assets and liabilities of the Scheme on a consistent reasonable basis. As required by Section 28 of FRS102 "Employee benefits", the University and its subsidiary therefore account for the Scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income represents the contributions payable to the Scheme in the year.

Since the University and its subsidiary have entered into an agreement (the Recovery Plan) that determines how each employer within the Scheme will fund the overall deficit, the University and its subsidiary recognise a liability for the contributions payable that arise from the agreement (to the extent that they relate to a deficit) with related expenses being recognised through the Statement of Comprehensive Income. In calculating the provision for the present value of the Recovery Plan, Management have estimated future staff levels within the USS Scheme for the duration of the contractual obligation and salary inflation. Details of the movements in the provision resulting from the obligation to fund the deficit, key assumptions and further information are provided within this note.

	Consolidated		University	
	2023	2022	2023	2022
	£m	£m	£m	£m
USS deficit reduction plan provision:				
At beginning of the year	(320.2)	(104.6)	(319.3)	(104.3)
Deficit contributions in the year	15.8	5.6	15.8	5.5
Change in expected contributions	47.3	(220.3)	47.2	(219.6)
Unwinding of the discount rate	(10.6)	(0.9)	(10.6)	(0.9)
At 31 July	(267.7)	(320.2)	(266.9)	(319.3)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

29 Pension schemes (continued)

The total USS pension cost for the University in the year ended 31 July 2023 was £82.2m (2022: £72.4m). This includes £7.1m (2022: £6.2m) of outstanding contributions at the year end and deficit recovery contributions for year ended 31 July 2023 of £15.8m (2022: £5.5m).

The University's subsidiary, Kelvin Nanotechnology Limited, recognised its provision for the present value of the deficit reduction plan for the USS scheme in its individual financial statements and this provision is included in the University's consolidated position.

The latest available complete actuarial valuation of the Scheme is as at 31 March 2020 (the valuation date) and was carried out using the projected unit method.

Since the University and its subsidiary cannot identify their share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures in respect of the 2020 valuation reflect those relevant for the section as a whole.

The 2020 valuation was the sixth valuation for the Scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the Scheme was £66.5 billion and the value of the Scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles which is available at: <https://www.uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles>

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the Scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	101% of S2PMA "light" for males and 95% of S2PFA for females
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% pa and a long term improvement rate of 1.8% pa for males and 1.6% pa for females

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

29 Pension schemes (continued)

The current life expectancies at age 65 are:

	2023	2022
Males currently aged 65	24.0	23.9
Females currently aged 65	25.6	25.5
Males currently aged 45	26.0	25.9
Females currently aged 45	27.4	27.3

A deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% over the period 1 April 2022 until 31 March 2024 at which point the rate will increase to 6.3%. The 2023 deficit recovery liability reflects this plan and it has been produced using the following assumptions:

	2023	2022
Discount rate	5.49%	3.33%
Pensionable salary growth	3.56%	3.71%

b) UGPS

This is a defined benefit scheme which is externally funded and was contracted out of the State Second Pension (S2P) until 31 March 2016. The Scheme closed to new members with effect from 1 April 2014. The assets of the Scheme are held in a separate trustee-administered fund. The fund is valued every three years by professionally qualified independent actuaries, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years, the actuaries review the progress of the Scheme. Pension costs are assessed in accordance with the advice of the actuaries, based on the latest actuarial valuation of the scheme. The latest complete actuarial valuation was carried out as at 1 April 2022.

The major assumptions used at 31 July are shown below:

	2023	2022	2021
Discount rate	5.00%	3.50%	1.65%
Retail price inflation	3.45%	3.50%	3.50%
Rate of increase in salaries	FY 2024 - 3.53% Thereafter 2.53%	FY 2023 - 6.68% Thereafter 2.68%	2.68%
Rate of increase to pensions in payment and in deferment	3.10%	3.10%	3.20%
Single equivalent consumer price inflation for period	3.10%	3.10%	3.20%

The weighted average life expectancies used to determine benefit obligations are as follows:

	Male		Female	
	2023	2022	2023	2022
Member age 65 (current life expectancy)	19.6	22.1	22.9	24.8
Member age 45 (life expectancy at age 65)	21.0	22.9	24.6	25.7

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

29 Pension schemes (continued)

	Value at 31 July 2023 £m	Value at 31 July 2022 £m	Value at 31 July 2021 £m
The assets in the scheme were:			
Short-term fixed income	24.6	6.1	-
Corporate bonds	-	33.9	-
LDI	100.9	100.2	218.9
Diversified growth fund	42.0	47.7	112.3
Long lease property	49.6	88.9	38.0
Diversified credit	16.0	85.8	103.8
Direct lending	48.3	48.8	32.2
Cash/net current assets	26.1	4.2	14.5
Total	307.5	415.6	519.7

Assets categorised under diversified credit and direct lending include a mixed fund portfolio mostly consisting of listed investments, bonds, property, direct lending and other assets.

The following amounts at 31 July were measured in accordance with the requirements of FRS 102:

Total market value of assets	307.5	415.6	519.7
Present value of liabilities	(345.4)	(428.6)	(574.3)
Net pension liability under FRS 102	(37.9)	(13.0)	(54.6)

Over the period to 31 July 2023, the University contributed 22.5% pensionable salaries and a deficit reduction amount of £4.0m which was required under the recovery plan that was agreed as part of the 2019 actuarial valuation. Upon completion of the 2022 actuarial valuation in June 2023, the University entered a new recovery plan for the pension scheme that applies until 1 April 2034. The University expected to make deficit reduction contributions of £4.1m per year increasing by 2.5% per annum from 31 March 2024 to 31 March 2034. The recovery plan will be revisited every three years.

	2023 £m	2022 £m
Amount charged to operating surplus:		
Staff costs:		
Current service cost	(6.9)	(10.8)
Administration costs	(1.1)	(1.4)
Total operating charge	(8.0)	(12.2)
Interest and other finance costs:		
Interest on scheme assets	14.5	8.5
Interest on scheme liabilities	(14.9)	(9.5)
Total net return	(0.4)	(1.0)
Total UGPS pension cost recognised in the income and expenditure account	(8.4)	(13.2)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

29 Pension schemes (continued)

	2023 £m	2022 £m
Other comprehensive income/(loss):		
Actual return on assets exc. amounts included in net interest	(118.0)	(102.0)
Actuarial gain on scheme obligations	90.7	149.8
(Loss)/gain recognised for the year for UGPS	(27.3)	47.8

The cumulative gain recognised in other comprehensive income to date is £6.0m (2022: cumulative gain of £33.3m).

Movements in present value of scheme assets during the year:

Assets at beginning of the year	415.6	519.7
Movement in year:		
Interest income	14.5	8.5
Actual return on assets exc. amounts included in net interest	(118.0)	(102.0)
Contributions by the employer	10.8	7.0
Benefits paid	(14.3)	(16.2)
Administration costs	(1.1)	(1.4)
Assets at the end of the year	307.5	415.6

Movements in present value of scheme liabilities during the year:

Liabilities at beginning of the year	428.6	574.3
Movement in year:		
Current service cost	6.9	10.8
Interest cost	14.9	9.5
Actuarial gain	(90.7)	(149.8)
Benefits paid	(14.3)	(16.2)
Liabilities at the end of the year	345.4	428.6

Details of the experience gains and losses for the years to 31 July:

	2023 £m	2022 £m	2021 £m	2020 £m	2019 £m
Fair value of scheme assets	307.5	415.6	519.7	504.7	474.6
Present value of scheme liabilities	(345.4)	(428.6)	(574.3)	(535.6)	(481.6)
Deficit in the scheme	(37.9)	(13.0)	(54.6)	(30.9)	(7.0)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

29 Pension schemes (continued)

c) SPF

This is an externally funded multi-employer defined benefit scheme that covers both past and present employees, that was until contracted out of the State Second Pension (S2P) until 31 March 2016. The element of the SPF that is attributable to the University covers former members of staff at St Andrew's College of Education and the Scottish Centre for Research in Education (SCRE). The SPF is a pool into which employees' and employers' contributions and income from investments are paid, and from which pensions and other related benefits are paid out in accordance with the provisions of the Local Government Pension Scheme.

A valuation of the University's benefit obligation in respect of its members has been estimated by a qualified independent actuary based on the results of the latest complete triennial valuation which was performed as at 31 March 2020, rolled forward to 31 July 2023 using the following assumptions:

	2023	2022	2021
Discount rate	5.0%	3.50%	1.65%
Retail price inflation	3.45%	3.50%	3.50%
Rate of increase in salaries	FY 2024 - 3.53% Thereafter 2.53%	FY 2023 - 6.68% Thereafter 2.68%	2.68%
Rate of increase to pensions in payment and in deferment	3.10%	3.10%	3.10%
Single equivalent consumer price inflation for period	3.10%	3.10%	3.10%

The weighted average life expectancies used to determine benefit obligations are as follows:

	Male		Female	
	2023	2022	2023	2022
Member age 65 (current life expectancy)	20.1	20.5	22.8	23.1
Member age 45 (life expectancy at age 65)	21.6	21.9	24.8	25.2

	Value at 31 July 2023	Value at 31 July 2022	Value at 31 July 2021
	£m	£m	£m
The assets in the scheme were:			
Equities	12.6	16.9	17.1
Bonds	2.6	2.4	2.4
Property	7.3	2.4	2.1
Cash	0.4	0.5	0.5
Total	22.9	22.2	22.1

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

29 Pension schemes (continued)

The following amounts at 31 July were measured in accordance with the requirements of FRS 102:

Total market value of assets	22.9	22.2	22.1
Present value of liabilities	(11.6)	(13.8)	(18.3)
Surplus in the scheme	11.3	8.4	3.8
Restriction applied to surplus recognition	(11.3)	(8.4)	(3.8)
Net pension liability under FRS 102	-	-	-

The University paid contributions to the scheme at 38.2% of pensionable salaries (36.2% before 1 April 2021). The University was not due to pay any deficit contributions in the year ended 31 July 2023 (2022: £nil).

	2023	2022
	£m	£m
Amount charged to operating surplus:		
Staff costs:		
Current service cost	(0.1)	(0.2)
Past service cost	-	-
Total operating charge	(0.1)	(0.2)
Interest and other finance costs:		
Interest on scheme assets	0.8	0.4
Interest on scheme liabilities	(0.5)	(0.3)
Total net return	0.3	0.1
Total SPF pension cost recognised in the income and expenditure account	0.2	(0.1)
Other comprehensive income/(loss):		
Actual return on assets exc. amounts included in net interest	0.4	0.3
Actuarial gain on scheme obligations	2.2	4.3
	2.6	4.6
Restriction applied to recognition of actuarial gain on scheme obligations	(2.6)	(4.6)
Gain/(loss) recognised for the year for SPF	-	-

The cumulative loss recognised in other comprehensive income to date is £0.7m (2022: £0.7m).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

29 Pension schemes (continued)

	2023 £m	2022 £m
Movements in present value of scheme assets during the year:		
Assets at beginning of the year	22.2	22.1
Movement in year:		
Interest income	0.8	0.4
Actual return on assets exc. amounts included in net interest	0.4	0.3
Contributions by the employer	0.1	0.1
Contributions by the scheme participants	-	-
Benefits paid	(0.6)	(0.7)
Assets at the end of the year	22.9	22.2

Movements in present value of scheme liabilities during the year:

Liabilities at beginning of the year	13.8	18.3
Movement in year:		
Current service cost	0.1	0.2
Past service cost	-	-
Interest cost	0.5	0.3
Actuarial gain	(2.2)	(4.3)
Contributions by the scheme participants	-	-
Benefits paid	(0.6)	(0.7)
Liabilities at the end of the year	11.6	13.8

Details of the experience gains and losses for the years to 31 July:

	2023 £m	2022 £m	2021 £m	2020 £m	2019 £m
Fair value of scheme assets	22.9	22.2	22.1	18.2	18.3
Present value of scheme liabilities	(11.6)	(13.8)	(18.3)	(19.1)	(18.2)
Surplus / (deficit) in the scheme	11.3	8.4	3.8	(0.9)	0.1

d) NEST

The National Employment Savings Trust (NEST) has been set up by the government to assist employers in fulfilling their obligations under the Auto-Enrolment regulations and is a defined contribution scheme that is not contracted out of the State Second Pension (S2P). It covers both qualifying workers under the NEST Auto-enrol section of the scheme, along with several support staff who had previously opted-out of UGPS under the NEST contractual section of the scheme. From 1 April 2014 it has covered new members of staff who would previously have been eligible for UGPS.

The total pension cost for the University was £3.2m (2022: £3.5m). This includes £0.3m (2022: £0.2m) of outstanding contributions at the year end. Employees' regular contributions were £1.4m (2022: £1.5m).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

29 Pension schemes (continued)

e) STSS

The Scottish Teachers' Superannuation Scheme (STSS) is an unfunded multi-employer defined benefit only pension scheme that was contracted out of the State Second Pension (S2P) until 31 March 2016. It covers former members of the academic staff of St Andrew's College of Education.

Under the definitions set out in FRS 102 the STSS is an unfunded multi-employer defined benefit scheme and as the University is unable to identify its share of the Scheme's underlying assets and liabilities it has applied the exemption in FRS 102 to account for the Scheme as if it were a defined contribution scheme.

The rate of employer contributions is set with reference to a funding valuation undertaken by the Scheme actuary. The latest four-yearly actuarial assessment of the Scheme was carried out as at 31 March 2016. It showed that the Scheme had total liabilities, for service to 31 March 2016, of £22.8 billion and notional assets of £21.5 billion giving a notional past service deficit of £1.3 billion.

The main financial assumptions adopted for the latest actuarial assessment were:

Discount rate;

For liabilities and contribution rate	2.8% pa real; 4.86% pa nominal until 2019 and then 2.4% pa real; 4.45% nominal
For cost cap rate	2.4% pa real; 4.45% nominal
Pension increases	2% pa
Long term salary growth	4.2% pa, 2.2% pa in excess of assumed CPI

The valuation informed an employer contribution rate of 23% of pensionable salary and tiered employee contribution rates in the range of 7.2% to 11.9% which are anticipated to deliver a yield of 9.4%.

The 2020 actuarial assessment of the Scheme is ongoing.

The total pension cost for the University was £61k (2022: £83k). This includes £5k (2022: £6k) of outstanding contributions at the year end. Employees' regular and additional voluntary contributions were £29k (2022: £41k) and £6k (2022: £5k) respectively.

f) NHSSS

The NHS Superannuation Scheme (Scotland) (NHSSS), operated by NHS Scotland, is an unfunded multi-employer defined benefit scheme that is a defined benefit only pension scheme and until 31 March 2016 was contracted out of the State Second Pension (S2P).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

29 Pension schemes (continued)

Under the definitions set out in FRS 102 the NHSSS is an unfunded multi-employer defined benefit scheme and as the University is unable to identify its share of the Scheme's underlying assets and liabilities it has applied the exemption in FRS 102 to account for the Scheme as if it were a defined contribution scheme.

The rate of employer contributions is set with reference to a funding valuation undertaken by the Scheme actuary. The latest four-yearly actuarial assessment of the Scheme was carried out as at 31 March 2016. This showed that the Scheme had total liabilities, for service to the 31 March 2016, of £34.7 billion and notional assets of £32.5 billion giving a notional past service deficit of £2.2 billion.

The main financial assumptions adopted for the latest actuarial assessment were:

Discount rate;

For liabilities and contribution rate	2.8% pa real; 4.86% pa nominal until 2019 and then 2.4% pa real; 4.45% nominal
For cost cap rate	2.4% pa real; 4.45% nominal
Pension increases	2% pa
Long term salary growth	4.2% pa, 2.2% pa in excess of assumed CPI

The valuation informed an employer contribution rate of 20.9% of pensionable salary and tiered employee contribution rates in the range of 5.2% to 14.7% which are anticipated to deliver a yield of 9.4%.

The 2020 actuarial assessment of the Scheme is ongoing.

The total pension cost for the University was £1.9m (2022: £1.7m). This includes £0.2m (2022: £0.1m) of outstanding contributions at the year end. Employees' regular contributions were £1.0m (2022: £0.9m) and £22k (2022: £17k) in respect of additional voluntary contributions.

g) MRCPS

The Medical Research Council Pension Scheme (MRCPS), operated by the Medical Research Council (MRC), is a funded multi-employer pension scheme that provides benefits based on service and final pensionable pay at the normal retirement age of 65. In addition to the principal section, the supplementary benefits section exists to provide additional benefits in the event of ill-health retirement or death-in-service. It is solely funded by members' contributions. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement.

Former members of staff of the MRC who transferred to the University of Glasgow under TUPE regulations are covered by the MRCPS.

Under the definitions set out in FRS 102 the MRCPS is a funded multi-employer defined benefit scheme and as the University is unable to identify its share of the Scheme's underlying assets and

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

29 Pension schemes (continued)

liabilities it has applied the exemption in FRS 102 to account for the Scheme as if it were a defined contribution scheme.

The required MRCPS contribution rate is assessed every three years in accordance with advice of the Government Actuary and these triennial valuations are conducted under the Pensions Act 2004 on a scheme specific funding basis. The latest actuarial assessment of the University section of the MRCPS was at 31 December 2019 at which showed a statutory funding surplus of £24.1m and the market value of the assets of the MRCPS was £114.8m, an ongoing funding level of 127% under the statutory funding objective. The actuarial value of the assets was sufficient to cover 127% of the benefits that had accrued to members after allowing for expected future increases in earnings.

The MRCPS Trustees seek to maintain sufficient assets in the scheme to avoid section 75 debts arising in the future and therefore use an alternative funding objective. Liabilities are assessed on a buy-out basis and compared to existing assets. Under the alternative funding objective at 31 December 2019 the University section showed a deficit of £19.2m, an ongoing funding level of 86%, so the objective was met at the valuation date.

The main financial assumptions adopted for latest valuation were:

	Statutory funding objective	Alternative funding objective
Discount rate	2.0%	Gilt yield curve + 0.25% for pensioners; -0.25% for non-pensioners
Earnings increases (long term) + promotional scale	3.5%	n/a
RPI	n/a	3.4%
CPI	2.0%	3.0%
Discount rate net earnings increase	(1.5%)	n/a
Discount rate net pension increases	0.0%	Varies by term

Based on the latest valuation, contribution rates to the Scheme for employees are 6.5% and for employers are 16.9%.

The total pension costs for the University was £0.2m (2022: £0.2m). This includes £20k (2022: £19k) of outstanding contributions at the year end. Employees' regular contributions were £0.1m (2022: £0.1m) and £3k (2022: £3k) in respect of additional voluntary contributions.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2023

30 Financial instruments

The carrying value of financial assets and liabilities are summarised by category below:

	Note	Consolidated		University	
		2023	2022	2023	2022
		£m	£m	£m	£m
Financial assets					
Measured at fair value through Statement of Comprehensive Income:					
Treasury stock	13	1.4	1.5	1.4	1.5
Listed investments	13	0.1	0.2	-	-
Endowment assets	13	234.3	225.8	234.3	225.8
Measured at cost less impairment:					
Unlisted investments	13	2.8	2.4	21.1	21.1
Measured at amortised cost:					
Research grants and contracts	15	62.9	57.0	62.9	57.0
Salaries recoverable externally	15	3.8	3.6	3.8	3.6
Courses, consultancies and contracts	15	6.2	12.0	6.2	12.0
Amounts due by subsidiaries	15	-	-	1.4	1.8
		311.5	302.5	331.1	322.8
Financial liabilities					
Measured at amortised cost:					
Private placement bonds	17	245.0	245.0	245.0	245.0
Unsecured loan	16,17	6.8	7.8	6.8	7.8
Research grants and contracts	16	19.2	32.9	19.2	32.9
Courses, consultancies and contracts	16	10.0	6.5	10.0	6.5
Sundry creditors	16	52.4	45.6	51.7	45.0
Amounts due to subsidiaries	16	-	-	0.6	0.9
		333.4	337.8	333.3	338.1



University
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