



University
of Glasgow

REPORTS & FINANCIAL STATEMENTS

FOR THE YEAR TO 31 JULY 2022



THE IMPACT
RANKINGS

2022 TOP 20 IN THE WORLD

CONTENTS

INTRODUCTION

Welcome from the Principal	3 - 4
Our University at a Glance	5
Year in Pictures	6 - 7

STRATEGIES AND VALUES

World Changing Glasgow 2025	9
Building a Sustainable Future	10 - 12
Delivering Impact for Society	13 - 15

OPERATING REVIEW

Vision in Action 2022	17 - 24
Major Projects	25 - 28

PRINCIPAL RISKS & UNCERTAINTIES

Principal Risks and Uncertainties	30 - 32
--	----------------

FINANCIAL REVIEW

Executive Director of Finance Foreword	34 - 35
Financial Review	36 - 41

GOVERNANCE

Governance Structure	43
Membership of Court	44 - 45
Corporate Governance Statement	46 - 50
Statement of Responsibilities of Court	51 - 52
University Policies	53 - 55

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report	57 - 59
-------------------------------------	----------------

FINANCIAL STATEMENTS

Statement of Principal Accounting Policies	61 - 65
Consolidated and Institution Statement of Comprehensive Income	66
Consolidated and Institution Statement of Changes in Reserves	67
Consolidated and Institution Statement of Financial Position	68
Consolidated Statement of Cash Flows	69
Notes to the Financial Statements	70 - 100

INTRODUCTION



WELCOME FROM THE PRINCIPAL

Anton Muscatelli Principal and Vice-Chancellor



The University has had an incredibly impressive year, once again addressing immense challenges at a national and global level. This can be seen in the performance of the University and the extraordinary role played by colleagues across the institution. We improved our results in the Research Excellence Framework 2021 (REF) to be ranked number one University in Scotland in terms of overall research quality for the first time, and Glasgow was also ranked first in Scotland and third in the UK for our positive impact on society in the Times Higher Education (THE) Impact Rankings.

Over the last year, global challenges on a range of fronts have only become more stark. Inflation in the UK has increased and is likely to reach peaks not seen since the 1980s. The spectre of recession in the UK is also apparent in the coming year or so. These economic shocks have followed from the geopolitical shocks of the Covid-19 pandemic and war in Europe, and the impact of the pandemic continues to be felt in health services and other sectors at home and abroad. The appalling return of armed conflict to Europe has brought challenges that we had all hoped had long been consigned to the history books. In addition to the most immediate global challenges, incidences of extreme weather across the globe are reminding us all that climate change is not a problem that can be wished away. The University can be proud to have played our own part in the response to these challenges.

2021-22 saw the James McCune Smith Learning

Hub in full use by students for teaching, study and social activities. It also saw the development of a clearly articulated strategy for the wider student experience, built on the three pillars of opportunity, wellbeing and inclusion & belonging. The strategy is co-owned by the University and our four students associations; the Students' Representative Council (SRC), Queen Margaret Union (QMU), Glasgow University Union (GUU) and Glasgow University Sport Association (GUSA). It provides an excellent platform for development of specific actions to further enhance student life, on and off campus. This will include further development of provision by the student associations as well as new infrastructure and facilities.

Over the last year, the University continued to be at the heart of the national Covid response – hosting Scotland's only Lighthouse Lab for the duration of its lifespan, processing over 20 million tests, and leading

WELCOME FROM THE PRINCIPAL

a range of major research studies into the virus.

University of Glasgow colleagues also played a central role in the historic COP26 conference in the city, drawing a range of public figures, politicians, activists and researchers to our campus and highlighting the role of academia on the road to Net Zero.

Our University community's response to the invasion of Ukraine and the resulting humanitarian catastrophe has shown the best of human nature in response to an example of the worst. The part played by colleagues and students in collecting supplies for people in Ukraine and refugees here in Scotland has been inspiring to see – and as an institution, we will continue to do everything we can to support Ukrainians here in Scotland, and to work with colleagues at universities in Ukraine itself.

Witnessing our colleagues' and students' extraordinary response to these challenges has demonstrated exactly what it means to be part of our incredible community. And it is exactly this community that has empowered us to achieve so much over the last year.

This is exemplified in our exceptional performance in the Times Higher Education (THE) Impact Rankings, which aim to demonstrate the difference a university is making in the world by working towards the United Nations' Sustainable Development Goals. These rankings found that we were first in Scotland and third in the UK for our social impact – and 19th in the world, out of a total of 1,406 institutions. These extraordinary results are testament to the effort of colleagues under incredibly difficult circumstances in recent years to deliver positive social impact and lasting change and gets to the very heart of what makes our University world-changing. We want to be not only one of the very best Universities in the world, but above all we want to be the best University for the world.

Similarly, we can be delighted with our results in the 2021 Research Excellence Framework (REF). Glasgow is 13th among UK institutions in terms of overall quality – which means we are in the top 10 universities, as three of the top institutions are

small stand-alone institutes. Significantly, we are the number one university in Scotland in terms of overall research quality for the first time.

Both the THE Impact Rankings and the REF are significant recognition of the exceptional performance of colleagues, and the progress that we are making together at the University. A further example of this progress over the last year has been the recent opening of the Mazumdar-Shaw Advanced Research Centre (ARC), a genuinely world-leading facility which will bring researchers together in a way which breaks down organisational structures, facilitates collaboration and increases opportunities for cross-disciplinary working, and which can ensure our research continues to be recognised for its excellence in Scotland, the UK and across the world.

But we cannot and will not rest on our laurels. It is vitally important that we are able to sustain this strong performance for students, colleagues and wider society. This will rely not only on the continuing extraordinary efforts of colleagues across the University, but on a stable and sustainable financial position.

We continue to perform well in this regard, with strong international student numbers, research income and cash reserves providing a healthy platform from which we can continue to progress. But the lesson from the last few years is that we must continue to foster institutional resilience and adaptability, to ensure we can meet any challenge and weather any storms which present themselves.

We can be incredibly proud of the way we have done exactly that since the beginning of the pandemic and its associated shocks. Our challenge is to continue to plan rigorously for the full range of potential scenarios, and ensure resilience and adaptability is at the heart of our planning.

With the valued support of colleagues, I am absolutely certain that our University will continue to provide an exceptional education for students, build upon our world-class research and continue to make a major social impact in the year ahead.

Anton Muscatelli
Principal and Vice-Chancellor

OUR UNIVERSITY AT A GLANCE

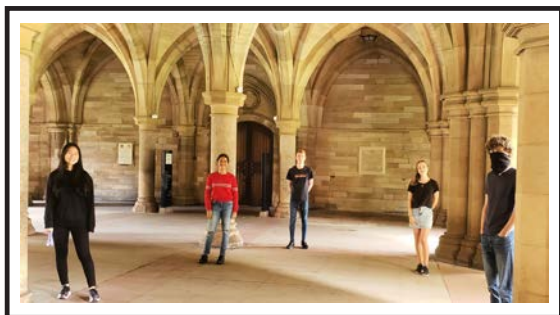
<p>Placed 1st Scottish University of the Year 2022</p> <p>The Times and Sunday Times Good University Guide</p>	<p>Among the Top 100 Universities</p> <p>in THE Times Higher Education World University Rankings</p>	<p>1st in Scotland 3rd in UK 19th in the World</p> <p>in THE Impact Ratings</p>
<p>93% of University research is world leading or internationally excellent</p> <p>Research Excellence Framework (REF)</p>	<p>Welcomes 35,000</p> <p>undergraduate and postgraduate students</p>	<p>Students from 140 countries worldwide</p>
<p>over 219,000</p> <p>global alumni community</p>	<p>over £1bn</p> <p>Estate investment to expand the campus research and teaching facilities</p>	<p>420</p> <p>study abroad exchange partners</p>
<p>Lighthouse Laboratory project WON</p> <p>the Knowledge Exchange / Transfer Initiative of the Year Trophy</p>	<p>7,273</p> <p>full-time equivalent staff members in 2022 growing from 6,829 in 2021</p>	<p>£196m</p> <p>of research grants and contract income in 2022 growing from £173m in 2021</p>
<p>£381m</p> <p>of tuition fees and education contract income in 2022 growing from £293m in 2021</p>	<p>£39m</p> <p>of bursaries and scholarships awarded in 2022 compared to £33m in 2021</p>	<p>a Silver Athena Swan Award</p> <p>given to The James Watt School of Engineering</p>

YEAR IN PICTURES



The official **opening of the Mazumdar-Shaw Advance Research Centre** in June 2022.

The Glasgow **Oral Health Improvement Student Society** develops **partnership with Social Bite Cafe**, allowing them to attend informal events and gatherings which provide support to the homeless community in Scotland.



DigiGallus Connect is a **student-led initiative** which aims to increase digital accessibility and **promote digital inclusion amongst elderly** parts of the Greater Glasgow Community. The core of the project focuses around the fact that digital inclusion should be for all.

In November 2021 the **Centre for Virus Research** was awarded the **Queen's Anniversary Prize** in recognition of its advanced virology research to combat diseases such as hepatitis C and dengue. The prestigious prize recognises outstanding work by UK colleges and universities that deliver tangible benefits to the world.



The **Prince and Princess of Wales** visiting the **James McCune Smith Learning Hub** to discuss **mental health** with students and professors.

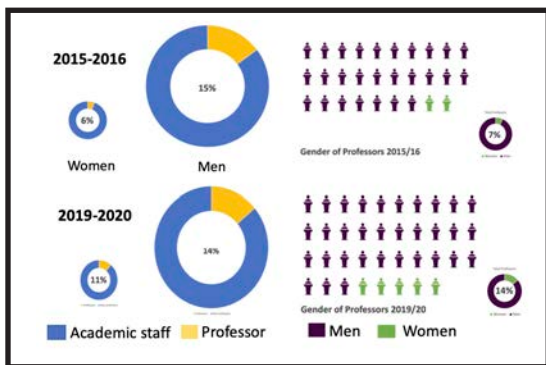


YEAR IN PICTURES



David MacMillan, a **University of Glasgow graduate** is one of the recipients of the 2021 **Nobel Prize in Chemistry**.

University of Glasgow spinout SOLASTA Bio, specialising in the next generation of green insecticides, has **secured seed investment of £1.3 million** to support ongoing development of its unique nature-inspired pesticides, the first of their kind to be developed worldwide.



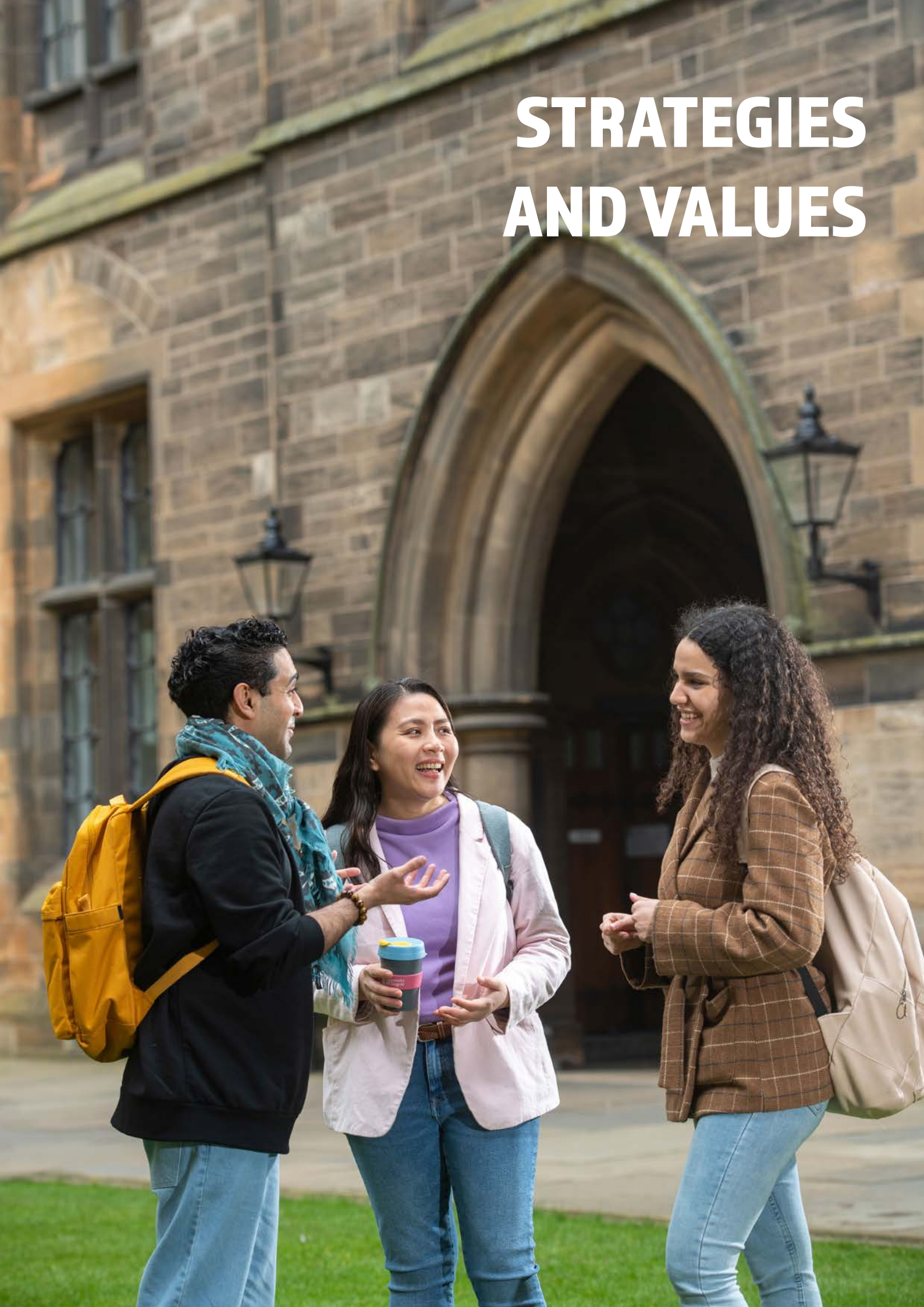
The **James Watt School of Engineering** has been **awarded a Silver Athena Swan award** in recognition of institutional efforts to **improve gender equality**.

These awards were established to support and transform gender equality within higher education and research.

The University successfully recruited 17 new scholars for a new employer-supported **scholarship programme to fund Black UK students** to undertake PhD research. The **James McCune Smith PhD Scholarship programme** is named after the first African American to be awarded a medical degree at the University of Glasgow.



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 newfound 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:

		
<p>Community</p> <p>People centred, globally engaged</p> <ul style="list-style-type: none"> • 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 	<p>Connectivity</p> <p>Collaboratively minded, digitally enhanced</p> <ul style="list-style-type: none"> • 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 	<p>Challenges</p> <p>Solution focused, impact oriented</p> <ul style="list-style-type: none"> • 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 17.

BUILDING A SUSTAINABLE FUTURE

Centre for Sustainable Solutions (launched in April 2020)

What **sustainability** means to us:

- Safeguarding the natural environment while progressing toward equitable and just conditions for current and future generations.

Our **vision**:

- Our vision is to enable individuals, communities and organisations to act towards a sustainable future through education, research and partnership. We support interdisciplinary, cross-campus and cross-sectoral solutions to climate change.

We **aim** to:

- Bring people, disciplines and sectors together for new insights.
- Connect academic expertise with policy, business and activism.
- Build capacity through mainstreaming sustainability education.

Our **objectives** are to:

- Enable the University to lead and be part of the current global movement calling for sustainable solutions across all sectors.
- Support, publicly promote and help to coordinate the activities of staff (academic & professional) and students around sustainability.
- Leverage Scottish, UK, and International funding and multi-sector partnerships for future calls related to the climate emergency.



UN CLIMATE CHANGE CONFERENCE UK 2021

IN PARTNERSHIP WITH ITALY

The **Centre for Sustainable Solutions** was actively involved in preparations for **COP26** in Glasgow in 2021, through the University's own COP26 Working Group and through the **COP26 Universities Network**, for whom the Centre and the University Web Team provided and managed a website and Experts Directory, as well as individually contributing to various work areas.

We also **presented, co-produced, and participated in a number of events** ourselves:

- Carbon Neutrality Beyond Borders (3 Nov 2021)
- UofG and Korn Ferry Panel Discussion and Networking Event (3 Nov 2021)
- CfSS at Girls@COP26 Climate, Health and Sustainability (3 Nov 2021)
- Technician Commitment (8 Nov 2021)
- Sustainable Solutions Showcase (9 Nov 2021)
- CfSS at Sustainability is All Our Jobs (9 Nov 2021)
- Hydrogen: A Silver Bullet or a Red Herring? (10 Nov 2021)
- CfSS at the Thriving Cities Initiative Glasgow Launch (11 Nov 2021)
- Built Environment and Net Zero Conference (11 Nov 2021)
- Finance Mobilisation for Climate Resilient and Carbon Neutral Communities (12 Nov 2021)
- The planetary boundaries of a 1.5°C world, using doughnut economics as a framework.



BUILDING A SUSTAINABLE FUTURE

GALLANT: Glasgow as a Living Lab Accelerating Novel Transformation

is a major new research programme led by the Centre's Director, Prof Jaime L. Toney, with co-leadership from Prof Petra Meier of the Institute of Health and Wellbeing (and also an Associate Director of the Centre) and Prof Marian Scott OBE of the School of Mathematics and Statistics. This five-year, **£10.2 million programme**, funded as part of **UKRI NERC Changing the Environment**, started on 31 January 2022, and is a major University of Glasgow collaboration with Glasgow City Council, bringing together over 50 multidisciplinary University of Glasgow researchers, with 29 public and private sector partners across the city region.



GALLANT will use Glasgow as a living lab to trial new sustainable solutions throughout the city, taking a whole-systems approach. While addressing the city's key environmental challenges, the programme will consider the co-benefits and trade-offs for public health, wellbeing, and the economy. GALLANT aims to deliver the social priorities of the UN Strategic Development Goals while remaining within the planetary boundaries of a 1.5°C world, using doughnut economics as a framework.



THE IMPACT RANKINGS
2022 TOP 20 IN THE WORLD

Ranked **19th**
in the world out of
1,406 institutions

These rankings aim to demonstrate the difference a university is making in the world by working towards the United Nations' Sustainable Development Goals.

The University of Glasgow's ranking places us **first in Scotland and third in the UK.**



11 SUSTAINABLE CITIES AND COMMUNITIES

The rankings aim to highlight work by universities in their communities. They assess institutional activities and efforts not covered in other rankings.

There are 17 Sustainable Development Goals (SDGs). These were adopted by the UN in 2015 to provide a framework to achieve a better and more sustainable future for all.

Our highest scoring SDGs from the assessment were:

- Sustainable Cities and Communities (SDG11) (2nd place)
- Responsible Consumption and Production (SDG12) (21st place)
- Life on Land (SDG15) (Equal 8th place)



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We are committed to contributing towards the SDGs to help tackle the most pressing global challenges facing humanity and the natural world.



15 LIFE ON LAND

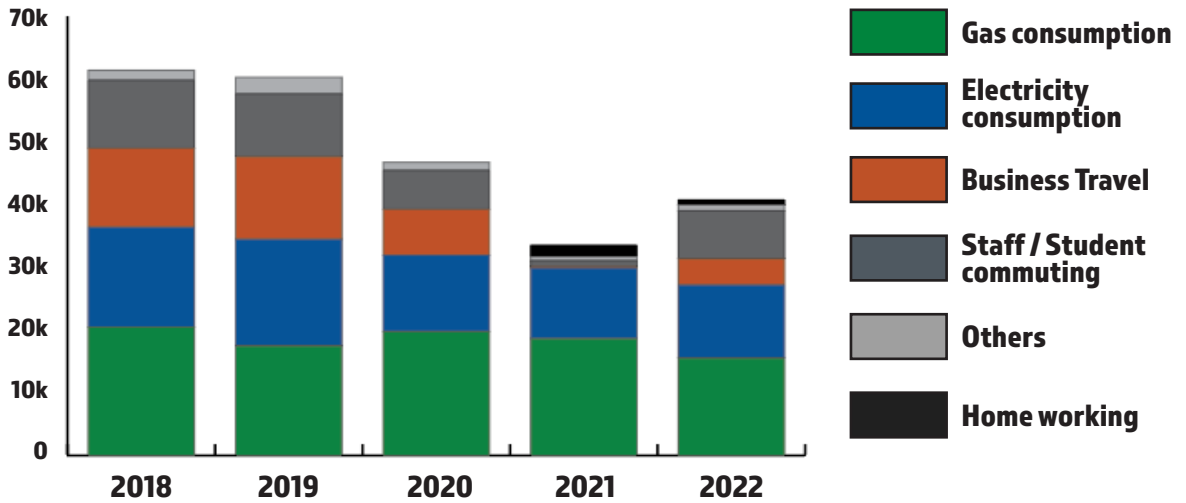
As a reflection of our commitment to the SDGs, we:

- were the first in the UK to declare we would divest from fossil fuels within a decade
- were the first in Scotland to declare a Climate Emergency
- committed to a significant plan of action to achieve carbon neutrality by 2030

BUILDING A SUSTAINABLE FUTURE

University of Glasgow Carbon Footprint (2018 - 2022)

Emissions (tonne CO2e)



The above graph shows a summary of the University’s carbon footprint based on the four most recent returns submitted to the Scottish Government plus the current year data to 31 July 2022. The biggest changes in the 2021/22 carbon footprint, when compared to the previous reporting year, relate to increased travel impacts as we start to emerge from the era of Covid-related restrictions on everyday life. With the re-opening of international air travel, we have seen a significant increase in business travel related carbon emissions. As staff start to return to office-based working (for at least part of their working week), commuting-related emissions, particularly related to car use, have also risen sharply.

STRATEGIES AND VALUES

<p>1st In 2014 we became the first UK university to declare it would divest from fossil fuels within a decade</p>	<p>54% 54% of our 2018 Scottish undergraduate entrants are from Glasgow City Region</p>	<p>11,400 We are providing 11,400 free breakfasts to school pupils in our local community over the next three years</p>	<p>20% More than 20% of Scottish entrants to our Medical School in 2018 were from the most deprived areas in Scotland</p>	<p>20m Over 20m COVID-19 tests have been processed at the Lighthouse Lab hosted at our Clinical Innovation Zone</p>
<p>50:50 We have achieved a 50:50 gender balance on our University Senior Management Group</p>	<p>1st In 2019 we were the first University in Scotland to declare a climate emergency</p>		<p>Disability We are a Disability Confident Employer and offer a guaranteed interview for applicants</p>	<p>Net Zero In 2020 we set a target to achieve carbon neutrality by 2030. This is set out in our Sustainability Strategy, 'Glasgow Green'</p>
<p>+30k Each year our Widening Participation team works with more than 30,000 pupils across all secondary schools in the West of Scotland</p>	<p>Plastics We phased out single-use plastics from our catering operations by December 2021</p>	<p>+200 We hosted more than 200 on-campus and virtual COP26 events</p>	<p>Fairtrade Our catering operations are accredited by Fairtrade, the Sustainable Restaurant Association, the Red Tractor and the Vegetarian and Vegan Society</p>	<p>Living Wage We are an Accredited Living Wage employer</p>

DELIVERING IMPACT FOR SOCIETY



The University **attracts** and **inspires people**, ideas and actions to create significant and positive **impact**, a purpose articulated within its World Changing Glasgow 2025 Strategy:

'To bring inspiring people together and create a world-class environment for learning and research, empowering staff and students alike to discover and share knowledge that can change the world.'

In this, institutional value is presented across multiple strands representing the personal, cultural, social, economic, environmental and political impacts initiated, encouraged and amplified by the creation and application

of knowledge. Many of these impacts are as much global as local, positioning the University and its people as a focal point and catalyst consistently driving positive change across diverse domains.

The University's scale and complexity make it a **powerful agent of transformation**, whether through hard financial investment or through its 'soft power' as a trusted, persuasive force in social debate and development. Over the last year, we have focussed this through our three strategic themes of Community, Connectivity and Challenges. This has delivered a number of major interventions and impacts, reflecting a snapshot of activities across this timeframe and an illustration of the broader context upon which the University exerts a positive and enduring societal influence.

As a civic institution and globally significant research centre, the University helps build and maintain strong civic, global, social and educational networks. The University is keenly aware of its responsibilities as a major institution in its host city and works with a broad range of agencies, organisations, charities and businesses to support the city economy and the communities which drive this.



As the first Scottish University to declare a climate emergency, the University has developed as an influential advocate for carbon reduction and played a leading role in the delivery of many COP26 activities and events through its academic Colleges and its cross-disciplinary Centre for Sustainable Solutions; providing expert input, convening thought leadership and facilitating debate around the most pressing issue of our time.

Glasgow's world-leading strengths in public health have helped create and sustain many community-based collaborative projects across the city and we have strong links with the Glasgow Centre for Population Health, a long-term partnership between the University, Glasgow City Council and NHS Scotland.



**Pupils on the Reach Programme
Medicine Summer School**

Glasgow University is the leading Scottish Russell Group university in widening access to under-represented social groups from communities identified by the Scottish Government's Index of Multiple Deprivation, and extends study opportunities across the city's wider population through widening participation initiatives such as the fee waiver and stipend provided by Sanctuary Scholarships targeted at the city's refugee and asylum seeker population.

Further afield, Global Glasgow, the University's internationalisation strategy, supports engagement across worldwide university networks for students and staff whilst promoting our institutional expertise in projects such as community development and education for violence reduction in cities (Medellin and Acapulco - see next page) and in the sharing of knowledge, expertise and resources in Malawi, where we partnered with their College of Medicine to establish the country's first Dental School.

DELIVERING IMPACT FOR SOCIETY

EDUCATIONAL PEACEBUILDING IN MEDELLIN AND ACAPULCO: UNDERSTANDING THE ROLE OF EDUCATION, CULTURE AND LEARNING IN RESPONDING TO CRISES (March 2020 - June 2022)

The project aims to create a detailed understanding of the infrastructure, engagement, resources and policies required to educationally transform a community in order to contribute to reducing the negative impacts of drug-related violence and crime. It seeks to investigate the circumstances, policies and practices through which Medellin (Colombia) has been able to develop and implement an inclusive, life-long learning strategy, and to transfer that learning to Acapulco (Mexico). By working alongside politicians, community members, young people and stakeholders in both Medellin and Acapulco, the project team will work to put forward recommendations for responding to crises of violence. The innovative, participatory methodology will focus on informal education, producing an educational peacebuilding model and index for transferability, trialling concepts in the creation of a vision for 'the Acapulco we want', along with an implementation framework to create future positive learning opportunities.



The University curates an inclusive, diverse and creative community of interests, building new bonds between people and ideas, stimulating and supporting fresh ways to view issues and solve problems. Spring 2022 saw the opening of the Mazumdar-Shaw Advanced Research Centre (ARC), a flagship facility developed as part of our Campus Development Programme. The ARC will be the collaborative and creative heart of the University's cross-disciplinary research, bringing together major

research themes in a single building, and with substantial public space and design elements aimed at sparking and supporting new collaborative communities and partnerships. The ARC is both a driver and exemplar for the approach to research, researchers and engagement prioritised in our Research Strategy 2020-2025. The expansive public space and our approach to event and collaboration support there reflects our long-running commitment to public engagement and the recognition that bringing benefit to the city and its communities is a fundamental part of our institutional mission.

We share our resources across city, region and global networks through harnessing the energy, enthusiasm and skills of the student population in:

- supporting digital services during Covid-19 lockdown for older Glaswegians (the DigiGallus Connect project);
- using artificial intelligence to build an accessible national cultural heritage archive ('Our Heritage, Our Stories');
- supporting skills supply needs through the creation of new professional pathways linking the computing science graduate apprentice learning experience with relevant industry needs; and
- facilitating student enterprise through industry engagement schemes such as the £600k LaunchUK Nanostat Design Competition, won in 2022 by a University of Glasgow student satellite design team.



Co-IMMUNicate : working together to help our local communities understand more about respiratory viruses.

DELIVERING IMPACT FOR SOCIETY

CHALLENGES



The University's research tackles many complex long-term as well as immediate challenges. The rapid onset of the COVID pandemic required a repurposing and mobilisation of university expertise and resources to support the mass testing required to understand the spread of the virus. Our contribution to wider social, economic and environmental challenges can be seen in the following:

- creation of a civic partnership addressing urban sustainability and climate emergency issues,
- support to Government in the development of economic policy, enterprise creation, housing and homelessness policies
- the development of a multi-agency partnership initiative harnessing the University's investment scale to prime a number of regeneration projects, population health and access to education initiatives in one of Glasgow's most deprived areas – sharing our wealth for the common good.

We have built strong industry partnerships through major Glasgow-based projects in nanofabrication, precision medicine, quantum technologies and medical imaging and have a leading role in the development of the City Region Innovation Accelerator initiative. In this environment conducive to innovation and investment, direct economic impact is evident in spin-outs such as Solasta Bio, which offers environmentally-friendly pesticides; in healthcare technology through the next-generation medical technologies offered by Nebu~Flow; and in Vector Photonics' ground-breaking photonic crystal surface emitting laser (PCSEL) technology, the most significant innovation in laser design and manufacture for 30 years.

Collectively these actions give a sense of the wider societal, educational and economic influence exerted by the University through its broad and proactive engagement programme as a civic asset, economic driver and global influencer. 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. These qualities are intrinsic institutional values and 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.



Nebu~Flow secures £1m grant from Innovate UK to create more effective methods of treating lung diseases.

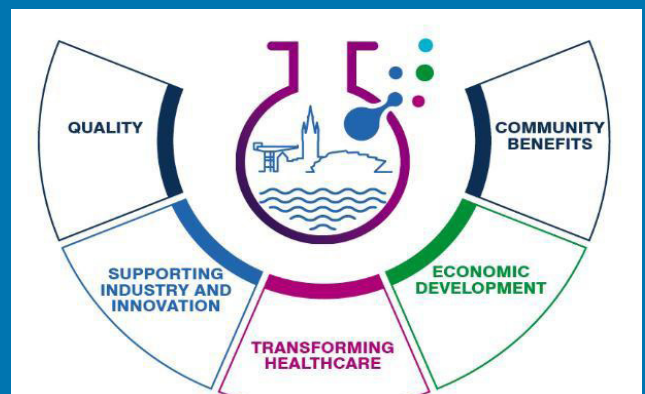
THE LIVING LABORATORY

The Living Laboratory for Precision Medicine located in Govan, announced in June 2020 as one of the seven successful bids to wave 1 of the UK Research and Innovation Strength in Places Fund (SiPF), brings together a collaboration of partners to address the biggest challenge currently facing precision medicine: the adoption of healthcare innovations into clinical practice for the benefit of patients.

The £38m government funding provided through UK Research and Innovation's flagship Strength in Places Fund is part of a £90m investment to create the Living Laboratory, building on Glasgow University's existing leadership and infrastructure in precision medicine.

Our Mission

The Living Laboratory will realise the full potential and benefit of precision medicine, cementing Glasgow as a global leader. The development of precision medicine innovations and their adoption into healthcare will deliver savings for the NHS, improve health outcomes and drive economic development in Govan, Glasgow, across Scotland and beyond.



OPERATING REVIEW



VISION IN ACTION 2022

The University launched its five year strategy in late 2020 - World Changers Together: World Changing Glasgow 2025. Key to the realisation of our 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**

Let's take a look at what we have been up to in 2021/22 academic year:

World-Class Research

Context

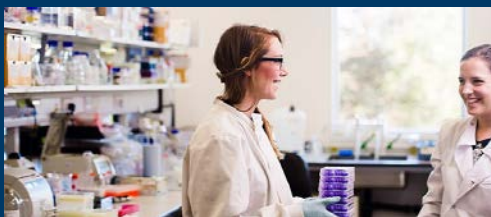
Our researchers are drawn from the best of global academia, with our disciplinary areas benefiting from internationally recognised experts in their fields. Whether working side by side or as part of large-scale multinational efforts, our teams explore the very edges of human knowledge and understanding – and bring world-changing discoveries within reach.

Update

The Research Strategy 2020–2025 was launched in October 2020. The Strategy 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) opened in June 2022. As the creative and collaborative heart of cross-disciplinary research of the University, the ARC is already having a key role in delivering the aims of the strategy. The ARC represents a £116.5m investment in our research infrastructure and, as well as a resource for the whole University research community, houses research in five themes:

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



Researchers at the Glasgow Centre for Virus Research (CVR)

The outcome of the Research Excellence Framework in 2022 (REF2021) showed that the quality of the University's research had 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. The power of the University's research (overall quality multiplied by volume) was placed =13th in the UK.

The Times Higher Education ranked Glasgow University as = 13th in the UK and 1st in Scotland based on research quality

These strong results reflect the quality of our researchers and the research they undertake, the impact of that research and the quality of the research environment. Since 2014, the University has placed significant focus on quality over quantity and undertook an intense programme of reviews to ensure that each discipline fulfilled its potential in all aspects of the research portfolio.

The University put in place several actions to mitigate the impact of the pandemic on careers and on research capacity and capability, and thus ensure the sustainability of our research base. This included actions to mitigate

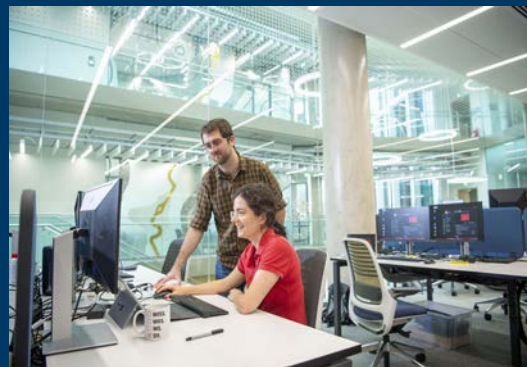
VISION IN ACTION 2022

the differential impact of the pandemic, thus lessening its potential long-term consequences on the research careers of individuals or groups.

supporting the NHS through staff secondments and contributing to public understanding of the virus and outbreak.

Research Excellence Framework (REF 2021) assessed 93.1% of the University research to be world leading or internationally excellent

The University of Glasgow was at the heart of the COVID-19 research response in Scotland and the UK. Researchers from the MRC-University of Glasgow Centre for Virus Research (CVR) have been involved in tracking the virus, contributing to clinical trials, the design of the Scottish surveillance programme,



Quantum research taking place at the new Mazumdar-Shaw Advanced Research Centre

Outstanding Teaching

Context

Our internationally renowned degree programmes are shaped by our rich, dynamic research environment which connects learning with global challenges. Adopting evidence-based approaches that are supported by world-class physical and digital learning environments, we work in partnership with our students to co-create knowledge and to develop the next generation of global thinkers and leaders – creating a living legacy of future world changers. These 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 2021-22, although the pandemic will have negatively impacted the 2021-22 mobility outcomes and will have had an even greater impact on 2020-21 given the impact on travel (mobility here refers to international travel).

- **International Student Population** has increased from 9,802 in 2020-21 and is now very close to our target of 11,000 FTE by 2025.
- **Student Progression:** The University has set a target of 90% for student progression. There are a number of workstreams underway to help enable improvement towards this target.
- **Student Satisfaction:** Glasgow achieved an overall satisfaction score of 80.1% in the 2022 National Student Survey. While this means we continue to offer an excellent student experience, it does represent a drop relative to the sector in general and we are looking at the results in detail so we can respond to the feedback from our student community.
- **Entry Tariff:** Our entry tariff increased from 202

to 206 in 2020-21.

- **Widening Access:** Glasgow's proportion of widening access students has increased steadily in recent years and is currently at its highest ever level.
- **Graduate Employability:** This KPI is taken from the new Graduate Outcomes survey and our ambition is to climb from our current position of 36th into top 20 in the UK.
- **Undergraduate Mobility** saw 17.1% of the final year cohort of students confirmed as having had an international experience in 20-21. Clearly the volume of in-country mobility will have decreased due to the pandemic, but virtual mobility will be included as part of this measure owing to its relevance and as a result we expect to see big increases in international mobility levels over time.

The proportion of our students from widening access backgrounds is at its highest ever.

VISION IN ACTION 2022



Students in an Urban Studies lecture with Dr Mark Wong in the Saltire Lecture Theatre at the new James McCune Smith Learning Hub

The particular challenges associated with the pandemic and the need to move all teaching and assessment online meant that there was a significant expansion in online learning and teaching activity throughout 2020-21 and this continued into 2021-22. There were around 150,000 events monthly (webinars and meetings) with events hosting up to 700 attendees.

Cloud hosted “Glasgow Anywhere” virtual desktop was added for access to bespoke Learning and Teaching applications and University of Glasgow resources in 2020 and use has continued during 2021-22 as many courses needed to retain considerable volumes of teaching online due to Covid-19 restrictions to teaching activity. The “Glasgow Anywhere” desktop now provides access to Learning and Teaching software and lab environments across a range of courses regardless of location.

Student support also moved online in March 2020 and has remained predominantly online since. It expanded to provide wellbeing and learning support online, creating entirely new forms of provision and new resources. For example, Student Learning Development (SLD) developed new resources for students around online study (over 1,900 students attended optional ‘how to Zoom’ sessions in the first week of semester), online assessment (9,820 students actively engaged with the content in the last calendar year), good practice with ‘netiquette’, and video

explanation of new approaches under our assessment policy (11,498 total video views). 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 we are running the second year of the course in 2022-23.



Student studying online while residing at the Queen Margaret Halls of Residence

Assessment has fundamentally changed in the last 2 years. Building on the experience of pivoting all assessment online in March 2020, there has been a continued commitment to online assessment throughout the last year. Some disciplines (e.g.

VISION IN ACTION 2022

Mathematics, Statistics, Physics, Economics) have expressed a preference to return to on-campus examinations in order to ensure exam integrity and where students were all on-campus, this was facilitated for the first time since lockdown in the Spring exam diet of April/May 2022. Many exams have remained online in other disciplines and we welcome this practice.

The University's overall 2021/22 intake rose compared to 2020/21 for both new undergraduates (+6%) and taught postgraduate (+14%) students.

2021/22 full-time enrolled undergraduate (UG) FTE increased overall (+7%), with growth across all fee statuses bar EU: Scot (+7%), EU (-30%), RUK (+15%) and International (+24%) compared to 2020/21. This was fuelled by mitigating actions to support applicants through the ongoing impacts of the pandemic, including changes to assessment awarding criteria. The large decrease in the overall number of full-time UG students from the EU stems from the removal of home fee status in 2020/21.

2021/22 Postgraduate Taught (PGT) FTE increased significantly (+29%), and across all fee statuses bar

EU: Home (+8%), rUK (+27%), EU (-79%) and International (+48%) compared to 2020/21.

Postgraduate research (PGR) new entrant numbers saw a small (+4%) increase in 2021/22, a decline in EU offset by growth in other fee status categories.

The 2021/22 student intake rose for both undergraduate (+6%) and taught postgraduates (+14%) from prior year

Once again, the University has adopted a prudent approach to its projections for the 2022-23 intake, reverting to the pre-pandemic model of most programmes commencing in September.

The University is continuing to experience strong demand for student places and will ensure future growth is managed to ensure intake quality while maintaining our long-standing commitment to widening access.

Lasting Impact

Context

Our discoveries are only the starting point. Through innovative partnerships with industry, policy engagements with governments and our role as a regional civic anchor, we work to transform our ideas into action, using our skills to make a difference in everything from local problems to the global grand challenges of our age – changing the world at every scale.

Update

At the University of Glasgow, we are committed to measuring and reporting progress against our ambitions, including on our outcomes and impact. This is key to developing a robust evidence base, to help us identify where we need to make further improvements and progress and to better articulate our institutional impact. Our strategic KPIs, which measure the progress of our University Strategy and its supporting strategies will be reported annually.

Furthermore, as a world-leading, research-intensive University, we are committed to contributing towards the UN's 17 Sustainable Development Goals (SDGs) as a call to action in tackling the most pressing global challenges facing humanity and the natural world. This year Glasgow will host Times Higher Education (THE) Global Sustainable Development Congress: uniting higher education, governments, industry and society

for a sustainable future. Our commitment to the United Nation's Sustainable Development Goals is published on our website:

<https://www.gla.ac.uk/explore/unsdgs/>.

The University of Glasgow has been ranked 19th in the world for the positive impact it has on society, according to a new report by Times Higher Education. The THE Impact Rankings, which demonstrate the difference a university is making in the world by working towards the United Nations' Sustainable Development Goals, places the University of Glasgow first in Scotland and third in the UK.

Link to Impact rankings:

https://www.timeshighereducation.com/rankings/impact/2022/overall#!/page/0/length/25/sort_by/rank/sort_order/asc/cols/undefined

VISION IN ACTION 2022

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 2021/22 despite the challenges faced by the global pandemic. At present, student income is forecast to be ahead of budget this cycle, and international student numbers are close to 11,000 against a strategic plan KPI of 11,000 international students by 2025. As a result, a key priority is improving both the quality and the diversity of our international student community.

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 14 million 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.



Glasgow College UESTC China Students graduate at the Glasgow Campus having overcome the challenges of the past few years.

University of Glasgow launches a new International Strategy, Global Glasgow 2025

At the same time, work is underway with the Scottish Government to develop a new International Education Strategy that 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 University has 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 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 recovery and growth and delivers economic benefit to the Scottish economy, the International

Our new International Strategy, Global Glasgow 2025, launched this year, and sets 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 THE 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

VISION IN ACTION 2022

Strategy should go hand in hand with the Scottish Government's new 10-year strategy for economic transformation.

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 courses. 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.

Life-Changing Experiences

Context

Our graduates get more than a degree. 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 – and take their first steps as future world changers.

Update

The past year has continued to involve changes in teaching and assessment and the student experience more broadly as we saw a return to campus incrementally through the year. Many students continued to learn fully remotely. As such, most assessment and student support needed to remain online whilst maintaining educational quality and standards throughout.

We hosted a blended programme of fresher's events in September 2021 with the Students' Representative Council, the student unions and Sports Association.

The entire University community has pulled together to support one another again as we have supported students and staff to return to campus with more teaching on campus in Semester 2.

Unfortunately, our key metric of student satisfaction has declined over the last year from 83.7% to 80.2%, this now places us sixth out of the 24 Russell Group universities.

In the University's Strategy 2025 – World Changers Together - 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.

Complementing this strategy will be the launch of the Student Experience Strategy in 2023. This will provide

students with an exceptional array of opportunities to pursue their social, sporting, volunteering and international interests and much more, enabling them to connect, develop new skills and enhance their prospects.

We have been continuing to evolve our teaching practices and redesigning courses so that they are aligned with the L&T strategy post-pandemic with an emphasis on delivering our blended learning approach and investment to increase staff capacity. We have completed two all-student surveys and continued to work with the Student Representative Council to identify learnings and actions. We have all learned extensively from the experience of the pandemic and have proven that we can continue to change lives for the better and to innovate in even the most challenging of circumstances.



Students experiencing in-person Graduations in Winter 2021 in the Bute Hall

VISION IN ACTION 2022

Inspiring People

Context

Aligned with the University's World Changers Together Strategy, our People & Organisational Development (P&OD) Strategy and its associated implementation plan sets out our strategic priorities for the period 2020 – 2025. The strategy leverages the opportunities and mitigates the risks from a people perspective that have arisen in an increasingly competitive global HE market, a challenging employee relations backdrop and in the context of the most testing economic climate for decades. Our three strategic themes: Living our Values; Maximising our Organisational Capability and Employee Experience guide our plans to deliver our strategic ambitions. Building on the achievements over the initial two years of the strategy we highlight key areas of recent progress.

Update

This last year has reinforced the importance of providing a safe, inclusive and supportive work environment. We continue to prioritise the health, safety and well-being of our people, supporting colleagues' physical, mental, and emotional well-being has never been more important. Emerging from the pandemic, the University community recognised how we embraced new technologies and have engaged in a highly digitised culture. We have worked flexibly and collaboratively in addressing major challenges and obstacles while remaining collegial and supportive. We have built upon these achievements, and we are working to embed flexible and hybrid ways of working across our Campus. Consistent with our University Values, we have sought to bring the benefits of new ways of working by empowering colleagues in our values-led culture to co-create working solutions which meet individual preferences and the needs of the organisation; rethinking space needs through blank slate conversations; and investing in new technology, while recognising some roles require in-person presence on campus.

we have been able to deploy machine learning and automation to maximise capacity through the reduction of high volume but low complexity processes.



External relations staff working collaboratively under the new hybrid model at Berkley Square

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

Further, we have expanded support for the health and wellbeing of colleagues as we developed our colleague wellbeing strategy and created a new comprehensive online health and wellbeing hub, which hosts support and resources that are easy to access and navigate. We also launched a portal to support Disabled and Neurodivergent colleagues to further develop our people-centred and inclusive working environment where colleagues feel valued and supported while enjoying an engaging and fulfilling career.

We continue to develop our organisational capability through streamlining and digitalisation of processes and services. Thanks to our investment in technology,

Through a holistic review, redesign and relaunch of our leadership and management development offering, including a suite of personal effectiveness training, we have made significant strides in our aspirations to identify, select and grow our leaders at all levels thereby driving authentic and confident leadership capability. This work will continue to evolve and deliver achievements in accordance with our strategic ambitions going forward.

Employee experience is central to achieving our strategic ambitions. Listening to and understanding the experiences of our people at work has been central to our efforts to create an excellent employee experience. Our colleague engagement survey provided a mechanism to capture colleague views on a wide range of themes including our culture and values, leadership and management, colleague development and engagement within their roles. Sustaining high engagement levels at 68%, the views captured have informed our approach to new ways of working, embedding our values in the way we work, and improvements in colleague wellbeing and inclusivity. We have developed a new colleague engagement framework to provide direction and

VISION IN ACTION 2022

continuous improvement plans to enable more effective collaboration on shared goals for colleagues working to improve engagement across the institution.

Created a new online health and wellbeing hub along with a portal to support Disabled and Neurodivergent colleagues

We want to be a workplace in which everyone feels they belong and can thrive. We have set ambitious KPIs relating to diversity and have seen year-on-year increases in the percentage of senior women (33.2%), the percentage of UK Black, Asian and Minority Ethnic colleagues (4.5%), and the percentage of colleagues with declared disabilities (4.9%). Through local level initiatives and support in Schools and Services this year we expect to see these percentages increase further. We have committed to making a step change regarding our

diverse and inclusive culture through action plans to transform colleague experience through Gender-Based Violence initiatives and the Understanding Racism Transforming University Culture (URTUC) report. As an institution, we acknowledge systemic issues that we are addressing. We have conducted a range of focus groups with ethnic minority and disabled colleagues to fully understand any perceived limitations in the progression and academic promotions process. Based on our colleague engagement survey feedback, we undertook a further investigation of key outcomes, including detailed data analysis of the recruitment process and have launched a new UofG Global Majority Network to support ethnic minority staff, hosting a programme of events on campus and virtually.

This year we have continued to demonstrate progress towards our strategic aspirations while adapting to and embracing the challenges and opportunities we encounter and will continue this focus on our strategic deliverables going forward next year.

MAJOR PROJECTS

Capital Plan on Estates Investment, Sustainability & Information Technology

The 15 year Capital Plan which commenced in 2020/21 will see the University of Glasgow invest over £2bn in buildings, infrastructure and Information Technology ensuring that our campuses meet the ever-evolving needs of our community.

A summary of the main projects are 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	£116m
	Clarice Pears Building (Institute of Health & Wellbeing)	£51m
	Adam Smith Business School	£94m
	Infrastructure	£77m
	Future New builds	£155m
	Other Estates projects	£396m
	Maintenance Projects	£507m
SUSTAINABILITY		
	Sustainability	£70m
INFORMATION TECHNOLOGY		
	Systems, Networking & Infrastructure	£276m
	Other IT projects	£155m
	IT Maintenance	£135m
TOTAL SPEND PER 15 YEAR CAPITAL PLAN		£2.1bn

MAJOR PROJECTS

The Existing Estate

Over the last two years, a dedicated team within the University has carefully assessed the condition of our existing assets, highlighting the critical need to invest in our historic buildings.

The University has devised an extensive redevelopment programme, modernising the campus and addressing the maintenance and asset replacement issues within the estate.

The work has already begun, and in 2021/2022 the team has completed a crucial fabric restoration project of the townhouse estate on University Gardens. A similar conservation programme will be carried out in Hillhead Street over the next 18 months.

In addition, the University has refurbished the northern end of the James Watt complex, which will incorporate agile offices for the School of Engineering. The work to re-configure the spaces within the growing School of Mathematics & Statistics and School of Computing Sciences is accelerating too.

Over the past two years we have invested around £20m in property maintenance and asset replacement across all our campuses which will both enhance our community's experience and improve our resilience.

The University's detailed 15-year investment plan, shown on the previous page, has been constructed to ensure our estate will deliver our future needs.

University Gardens

The listed sandstone terraces at University Gardens, which are home to the University's College of Arts, have been undergoing restoration and fabric work. The £6.7m project, which is being carried out in two phases, focuses on enhancing the buildings' long-term energy efficiency and improving wind and waterproofing for many years to come.

The first phase of the project saw the restoration of University Gardens No 9 to No 14. Over 60 tonnes of natural stone and 600 slates were replaced, 150 metres of gutters were repaired and decorated, numerous chimneys were rebuilt and repaired, 288 windows were overhauled and draught-proofed, and over 1,000



metres of lead to the roofs was replaced. The second phase will repair roofs, windows and external fabric of University Gardens No 1 to No 8.

The Campus Development & Former Western Infirmary Site Development

Since 2016, the University has embraced the opportunity to expand the footprint of the Gilmorehill estate, turning the vision of a world-changing campus into reality.

The James McCune Smith Learning Hub (JMS), the first major building delivered as part of the campus development programme, opened in the spring of 2021, while the Mazumdar-Shaw Advanced Research Centre (ARC), the first building to be delivered on the Western site, opened its doors in June 2022.

The work on site is progressing with The Clarice Pears building, which will house the School of Health and Wellbeing, expected to open in early 2023 and the Adam Smith Business School and Post Graduate Hub anticipated

to be finished for the start of the 2023/24 academic year.

The early planning and design stage has begun for the new teaching and research building, which is expected to be the largest development for the University since the Gilbert Scott Building was built in the late 19th century. It will allow us to accommodate further growth as well as relocate activity from buildings that are coming towards the end of their economic life.

The new landscaped zone within the new Western campus has been designed to ensure that the site becomes integral to the west end of Glasgow and benefits both local and University communities - a new and exciting part of the area to be enjoyed by all.

MAJOR PROJECTS

The Mazumdar-Shaw Advanced Research Centre (ARC)

The Mazumdar-Shaw Advanced Research Centre (ARC) is the first new permanent building to be built on the Western campus. It officially opened in June 2022.

The ARC brings world-leading researchers together in a building specifically designed to break down organisational structures and facilitate collaboration.

The £116.5m facility will house around 600 academics, postdoctoral researchers and PhD students working across five themes - Creative Economies & Cultural Transformation, Digital Chemistry, Global Sustainable Development, Quantum and Nanotechnology, and Technologies Touching Life. By housing diverse teams within the same building, the ARC aims to expose individuals and research areas to each other, increasing opportunities for cross-disciplinary working. The ground floor is accessible to the University and the wider community and will become a forum for knowledge exchange and public engagement.

This building also provides a unique opportunity to build stakeholder networks and partnerships by creating space to support industry engagement and enterprise activities.



The Clarice Pears Building (Institute of Health & Wellbeing)

The Clarice Pears Building for the School of Health and Wellbeing will bring together multiple research groups, working to engage and address societal challenges. It will allow staff from 10 different sites around the city to come together in a single state-of-the-art facility. It will also provide an ideal setting to support partnership working, allowing closer links with external partners, such as the NHS, government, voluntary sector, and industry, which are all essential to enable research to be translated into changes in policy and practice and therefore achieve a real impact on health. The ground floor will also provide a welcoming and publicly accessible space dedicated to knowledge exchange and public engagement, which will further support our widening participation goals.



The Clarice Pears Building for the School of Health and Wellbeing will complete in early 2023.

The Adam Smith Business School and Post Graduate Taught Hub



The building is due to be finished for the start of the 2023/24 academic year and will be a unique, multi-disciplinary home for students of our postgraduate taught degrees and will provide world-leading facilities for the Adam Smith Business School.

It will deliver an excellent setting to support collaborative research, connections with practice, and a wide range of approaches to learning and teaching, supporting a world-class student and learning experience. It will place business skills and engagement at the heart of our postgraduate experience.

MAJOR PROJECTS

Sustainability

With the University's commitment to net zero carbon by 2030, 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 Strategic objectives over the forthcoming years. Investment in key projects is centred around four main programmes which are closely aligned to the University's ambitions to grow and transform the IT infrastructure across the campus.

- **Information & Security**

By achieving the 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, increasingly, research councils are seeking stronger statements on cyber security, and this programme will support our researchers in securing funding through strengthened bids.

- **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.

- **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 our 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.

- **Corporate Systems**

This programme encompasses investment in key corporate systems that will enhance the experience of both our students and staff. Investment in our sport and recreation management system will allow more flexibility in the options available for membership of staff, students and the local community and our integrated workplace management system will improve processes for managing our workplace. Lastly, investment in our students record system, HR and Finance system will allow us to deliver the best experience to staff, students and applicants.

Transformation Investment

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 £35m across the next five years to progress investment in the following key areas:

- **Student Onboarding**

This project is focussed on improving the journey that starts at initial student interest through to registration and enrolment. Modernisation is needed to reflect the experience that we want to offer to our students.

- **Purchase to Pay**

Focussed on modernising our core finance processes to improve the staff experience and reduce waste and inefficiencies. The includes improvements to travel booking, purchase cards and straight through processing.

- **Timetabling**

Our status as an 'ancient' University means that the range of course choice available to students is much greater than at other institutions. This creates a challenge for us in predicting and planning for the range of permutations that degree of choice creates. We will look to eliminate waste and tackle issues to offer the flexibility required.

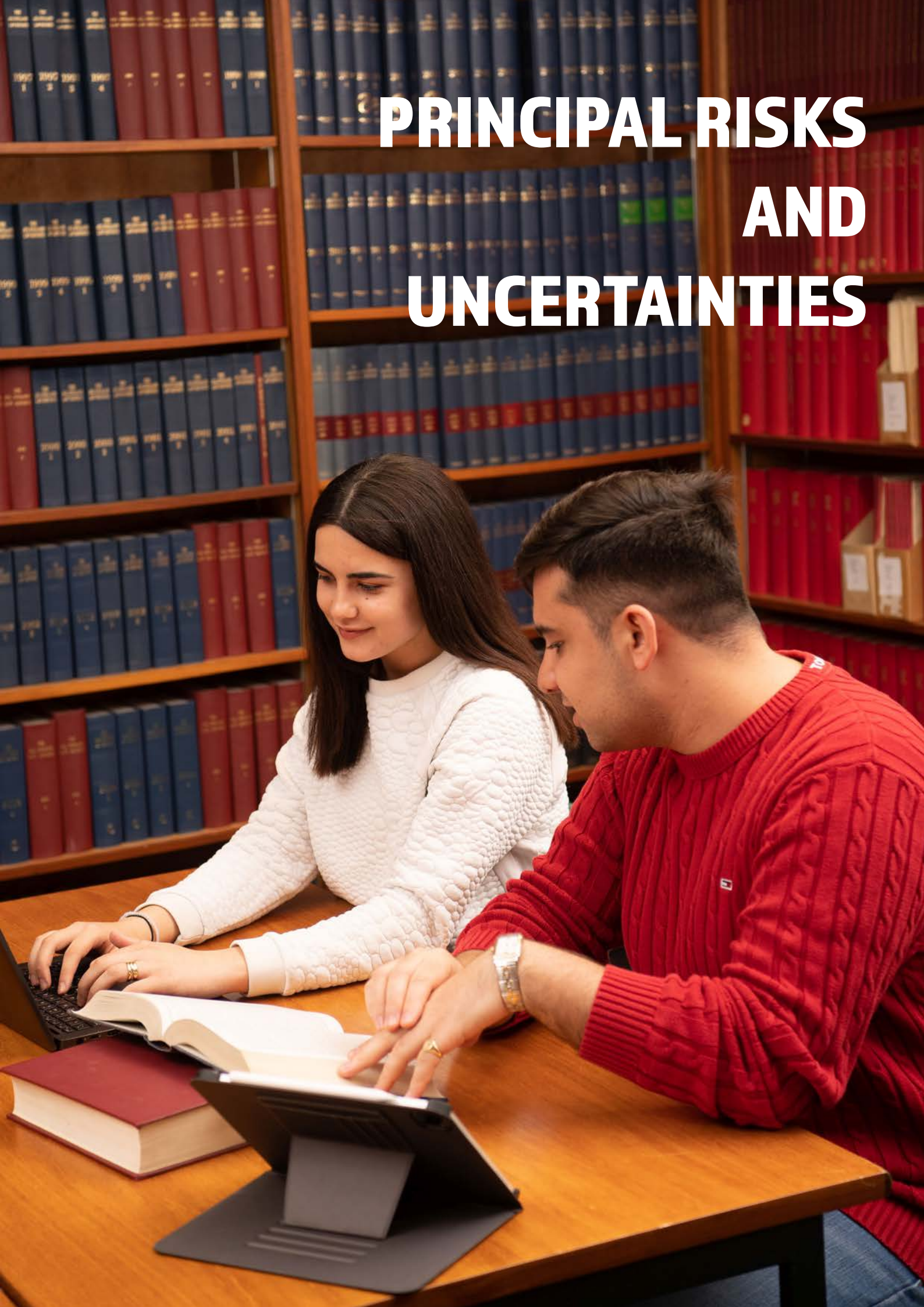
- **Assessment and Feedback**

This project is focussed on improving how we assess and provide feedback to our students. This will enhance the student experience by tackling unsatisfactory NSS scores in this area.

- **Automation**

Focusses on the elimination of waste through automation and standardisation of large transactional processes. This will allow the University to improve the staff experience by freeing up time to focus on strategic activity.

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 and 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 and 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.

In 2022, we launched an update to our Risk Management Policy and Framework.

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
Sustainability <p>The global climate emergency is the highest risk 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>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. Much of this will involve continued and more extensive engagement of students and staff, as well as close collaboration with external stakeholders.</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.</p>

Theme: People and Organisational Development

<p>Post pandemic ways of working have resulted in the adoption of different strategies in our approach to the attraction and retention of academic and professional colleagues. 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.</p>	<p>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, aspiring talent in cultivating an engaging and enabling working environment that empowers people to thrive.</p>
---	---

PRINCIPAL RISKS AND UNCERTAINTIES

RISK THEME

ACTION

Theme: Student Experience and Reputation

Covid has brought about a significant change to our assessment and teaching models with a growing reliance on digital transformation. We have provided students with the support needed to engage with and complete their studies while learning remotely as well as provided an enriching non-academic experience. This has a direct impact on our reputation and student recruitment.

In 2021, we published our Learning and Teaching Strategy which will continue to deliver an innovative and diverse degree portfolio. In 2022 we have launched our Internationalisation Strategy and will launch the Student Experience Strategy early 2023.

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.

There are opportunities to diversify into new markets as well as capitalise on our recent achievements as THE University of the Year 2020, THE Scottish University of the Year 2022 and our contributions to COP26.

Theme: Technology and Data

Cyber security is a global threat and is not specific to Higher Education. We have seen the impact of recent attacks on other Universities and recognise this as our most critical operational risk on the Strategic Risk Register. Cybersecurity sits between our technology and data risks, both of which are high on our list of priorities. We are undertaking a programme of work aimed at leveraging technology to support teaching, learning, research and related activities more effectively.

As part of our Cyber Security Strategy, we have welcomed a Chief Information Security Officer in 2022 who has the responsibility to develop and implement further cyber mitigation plans. Multifactor Authentication is now standard in our staff and student profiles and we are systematically and proactively identifying any possible weaknesses that could be exploited.

A Chief Data Officer is due to commence in early 2023 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.

Theme: Financial

Geopolitical instability and the current economic crisis are escalating risks for the University. We need to ensure we have the revenue and cash reserves to continue to grow and meet our ambitious long-term strategies. We are continually modelling and monitoring shifts in funding policies, the impact of Brexit and continued inflation to maintain our strong operational financial control.

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. With a significant amount of investment planned over the next 10-15 years, our Investment Committee and Finance Committee play a critical role in assessing the right level and balance of investments to take the institution forward and ensure benefits are both articulated and realised.

Fee income from overseas markets (non-EU) accounts for 74% of our overall fee income and 30% of our total income. Work continues on diversifying our income streams and on building and developing relationships in other key markets so as to reduce dependency on key international markets (China), in line with the new International Strategy, Global Glasgow 2025 (further information on this is shown on page 21).

PRINCIPAL RISKS AND UNCERTAINTIES

RISK THEME

ACTION

Theme: Research and Innovation

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 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 University's REF2021 results, with 93% of our research judged to be world leading or internationally excellent, have confirmed the actions taken in the last few years have had a positive impact, including our core SFC research funding. We will continue to build on our capacity and capability in research and creating an innovation ecosystem. This year, two new Executive Directors have been appointed for Research and Innovation.

We are in a unique position to use our campus development programme to create unique opportunities in research and entrepreneurial partnerships. We continue to work with local and national government on the Glasgow Riverside Innovation District.

Theme: Estates

Our Estates Strategy outlines our continued need to invest in ongoing maintenance to existing buildings. However, this is hindered by rapidly changing space requirements and inflationary pressures on supply chains.

Maintaining older parts of our estate has been a challenge and we are looking to invest in process and system changes to enhance our facilities and building maintenance.

Much of our estate is accessed by the public and we have been undergoing significant refurbishment of key public areas.

Theme: Services and Operations

The last five years have seen a focus on internal effectiveness and efficiency. This has now evolved to encompass organisational resilience and operational agility. Covid has taught us that we must be prepared to respond and adapt to sudden disruptions at a strategic level as well as being able to absorb disruption quickly and ahead of the market. This needs to be balanced against business assurance: governance, compliance and continuity. We also need to continually shift our working practices to comply with legislative and regulatory requirements and government policies.

An audit of Business Continuity and Disaster Recovery Plans is now underway. We have learned lessons from our experience of managing Covid - this will inform our future plans for improving organisational resilience and agility. We have put significant effort into streamlining our corporate governance processes and we are repeating the exercise for our academic governance and ways of working. Our Transformation Programme is delivering against major processes and systems improvements.

FINANCIAL REVIEW



EXECUTIVE DIRECTOR OF FINANCE

FOREWORD



Gregor Caldwell
Executive Director of Finance

During the 2022 financial year our University has continued to deliver excellent results in challenging circumstances, with a top 20 in the world placing in the THE impact rankings, 13th placing in the UK for overall quality as part of the REF (Research Excellence Framework), and our continuing campus development with the opening of the Mazunder-Shaw Advanced Research Centre, our first building on the Western Campus.

The University continues to welcome students from a wide range of backgrounds across Scotland, the UK, Europe and the rest of the world. During 2021-22 we achieved our highest figures to date in MD20 and MD40 recruitment, providing opportunities in higher education for students from less affluent areas and we continued our growth in international student numbers. This growth in income from international students underpinned an almost £20m rise in our underlying operating surplus to £142.3m. Despite this strong underlying performance, pension movements had a significant impact on our final results, with a £215.6m increase in the USS provision leading to a deficit after tax of £73.7m, and a total comprehensive loss of £25.2m after taking into account UGPS pension movements.

A significant portion of our operating surplus – £86m – was reinvested during the financial year in capital expenditure as we continue to invest in teaching, research and the enhancing the student

experience. A further £123.8m of capital spend is already committed at the year end. During the year, staff FTE grew by almost 450 and the opening of the Advanced Research Centre provides a world leading facility to increase the scale and impact of our research. We have ambitious plans to invest further in delivering our teaching, research, innovation and student experience strategies. These plans include continued growth in staff numbers, further new buildings and facilities on the Western campus, partnership with industry and substantial investments in existing buildings, IT infrastructure and sustainability.

As set out elsewhere, our total capital plans are over £2bn – it is only through continued generation of operating surpluses that we can deliver the necessary investment in maintaining and enhancing the quality of the experience we offer to students and staff.

We ended the year with cash holdings of £583m

EXECUTIVE DIRECTOR OF FINANCE

FOREWORD

which covers our existing capital commitments, but also supports our future investment plans, as well as providing resilience against for any short term falls in income and building up some reserves to repay our long-term debts of £245m when they become due.

As we look to the year ahead we are facing increased economic challenges with inflationary

and recessionary pressures as well as increased geopolitical risks. Over the last two years the University has demonstrated resilience and the capability to adapt to changing and challenging circumstances as we responded to the pandemic. We will need to continue to demonstrate these strengths as we pursue our goals to deliver our 2025 strategy and the ongoing success and impact of the institution.

Gregor Caldwell
Executive Director of Finance

FINANCIAL REVIEW

Summary Income & Expenditure

	2022 £m	2021 £m
Consolidated income	929.4	813.0
Consolidated expenditure	(1,002.7)	(695.9)
(Deficit) / Surplus before other gains and losses	(73.3)	117.1
Adjust for increase in USS pensions provision	215.6	5.5
Underlying surplus before other gains and losses	142.3	122.6

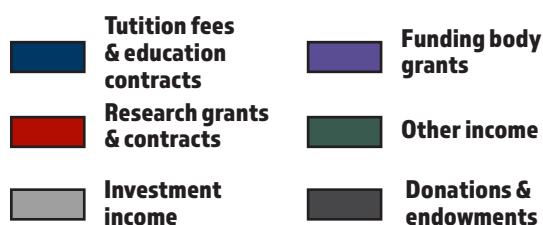
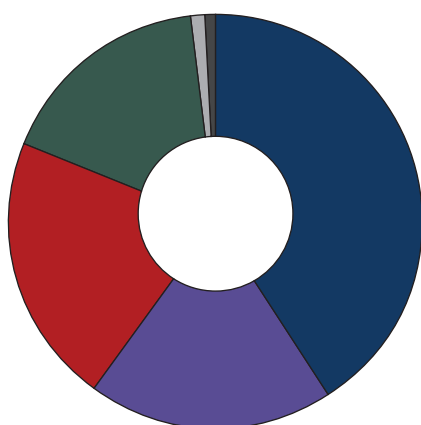
Net Cash Position

Cash & cash equivalents at year end	583.2	503.6
Borrowings	(252.8)	(253.8)
Non-current investments (excluding endowment assets)	4.1	4.7
Net Cash (note 22)	334.5	254.5

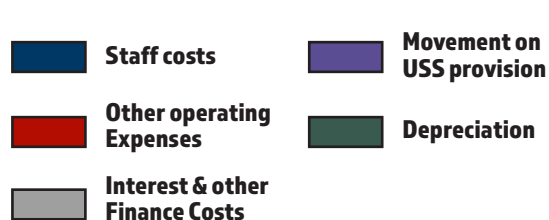
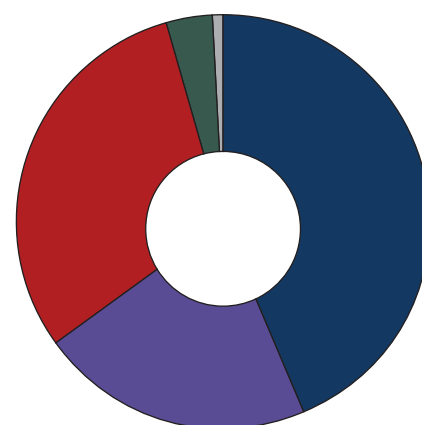
Capital Spend Overview

£78.8m Capital expenditure in year	£396.2m Campus re-development major project spend to date	£123.8m Capital commitments contracted and authorised
--	---	---

Income



Expenditure

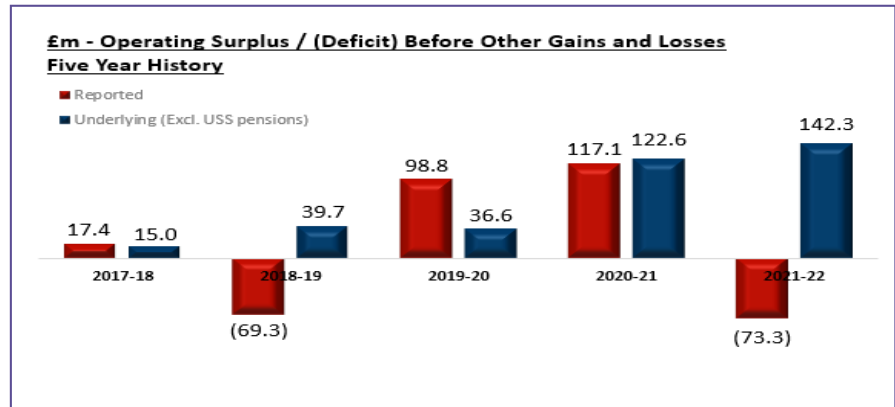


FINANCIAL REVIEW

Income & Expenditure

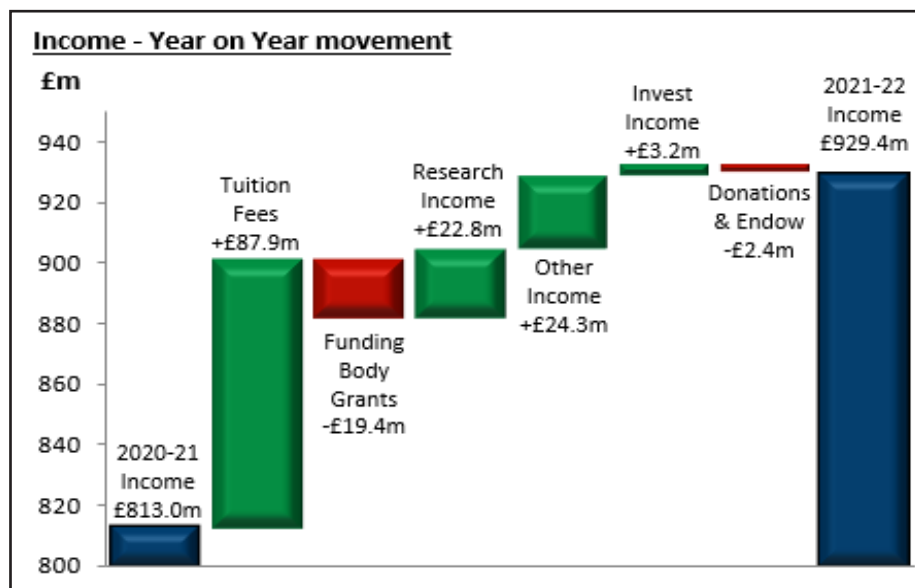
As the recovery from the Covid-19 pandemic continues, the University has achieved a strong set of results in the 2021-22 financial year. The underlying operating surplus in 2021-22 was £142.3m, predominantly due to increased student numbers. This surplus will be invested in future years to enhance the student experience, teaching provision and research capability through investment in staff, facilities and infrastructure to allow us to realise our 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).



Income

Total income increased by £116.4m or 14.3% from 2020-21 to 2021-22.



The main movements are as follows:

- **Income from tuition fees and education contracts** grew by £87.9m or 30.0% to £380.7m. The largest movement was in overseas students, with income growing by £81.2m or 40.6% (2020-21: 23.9%);
- **Income from funding body grants** decreased by £19.4m or 9.8% in 2021-22. Increased income

of £6.5m for the Main teaching grant and £0.9m for the Main quality research grant have been offset by a decrease of £27.3m relating to one-off support provided in 2020-21 by the SFC in response to the financial impact of Covid;

- **Underlying research income** (research income excluding movements in capital grants) increased by £22.4m during the year, predominantly due to increases in funding from Research Councils, UK

FINANCIAL REVIEW

Charities, UK Government and Overseas sources. Capital grant income increased slightly by £0.4m. The overall increase in income from research grants and contracts was therefore £22.8m or 13.2% (2020-21: increase of £4.5m or 2.7%). However, the recovery of research income following the Covid-19 pandemic is still ongoing, particularly for UK Charity research income;

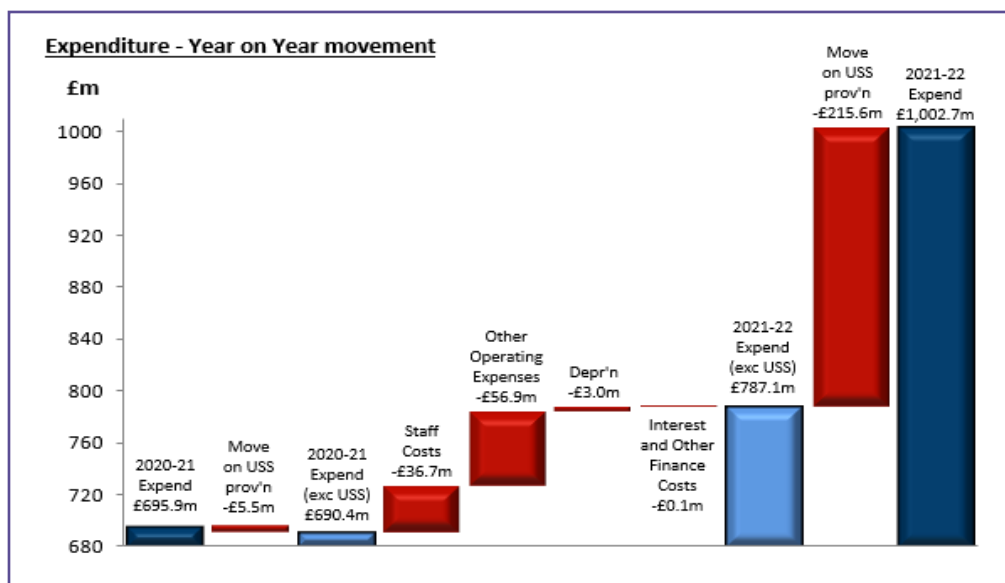
- **Other income** increased by £24.3m or 18.3% in 2021-22. Residences and hospitality services have seen increased income of £9.1m following the easing of Covid-19 restrictions and a general return to campus. Other services rendered income has increased by £11.8m, mainly relating to increases in Erasmus and Turing Scheme Mobility Support for students and the continued operation of the Lighthouse Laboratory processing samples on behalf of the Department of Health and Social Care. The operation of the

Lighthouse Laboratory is priced on a full economic cost basis (not at a profit). This contract ceased in June 2022. Other income has also seen increases in partnership income from GIC Kaplan, funding for Dentistry students needing to repeat a year where the Covid-19 pandemic has interrupted their studies, partially offset by a decrease in Government Grants relating to the end of the Coronavirus Job Retention Scheme;

- **Investment income** increased by £3.2m in 2021-22, due to increased interest rates;
- **Income from donations and endowments** decreased by £2.4m in 2021-22, with a reduction of £1.1m in new endowments bequeathed and a reduction of £1.3m in new donations due to timing of donation receipts.

Expenditure

Total expenditure increased by £306.8m or 44.1% in 2021-22. This includes a £210.1m year on year movement in the USS deficit reduction plan provision, with a £215.6m charge in 2021-22 versus a £5.5m charge in 2020-21. Expenditure excluding the USS movement increased by £96.7m or 14.0%.



The make-up of the £96.7m increase in expenditure is as follows:

- **Staff costs** increased by £36.7m or 9.2% in 2021-22 (2020-21: increase of £17.9m or 4.7%). Adjusting for the year-on-year movement in FRS102 adjustment for unpaid holiday pay (a decrease in expenditure of £1.4m), staff costs increased by £38.1m or 9.5%. Staff numbers have increased by 6.5%, predominantly to support increased student numbers. The increase in staff costs has also been caused by annual salary

increases, an increase in the employer National Insurance contributions from April 2022 and an increase in the employer USS contribution rate from 21.1% at the start of the year to 21.6% by the end of the year;

- **Other operating expenses** increased by £56.9m or 22.9% (2020-21: increase of £16.7m or 7.2%). Spend has increased across all areas of the University with higher student numbers and increased activity following the easing of Covid-19 restrictions. The

FINANCIAL REVIEW

increase also relates to associated spend for increased income, for example for research, Erasmus and Turing Scheme Mobility Support and Dentistry students repeating their Covid-19 year.

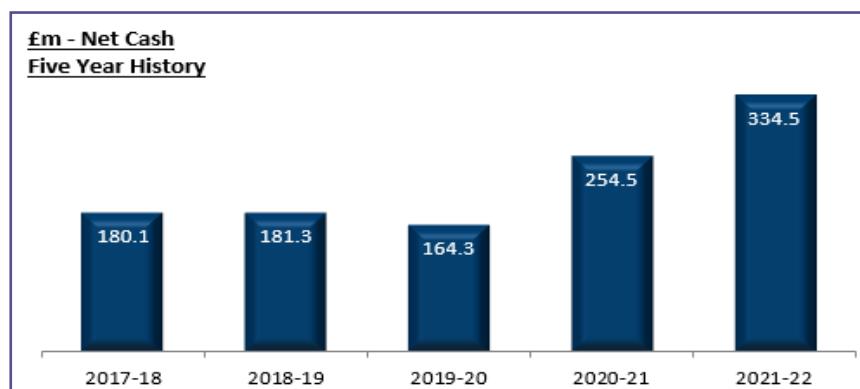
- The **depreciation** charge increased by £3.0m, the

majority within Land and Buildings due to campus development; and

- **Interest and other finance costs** increased by £0.1m.

Net Cash & Cash flow

Net cash shows a positive funding position of £334.5m as at 31 July 2022. This represents an £80.0m increase on the 2020-21 closing position of £254.5m. Cash balances are held to meet capital commitments for infrastructure, to repay debt, provide contingency on any movements in international demand and rising costs. Available funds (cash and cash equivalents and investments) increased by £79.6m, 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 has been drawn on to date.

The five-year net cash history is shown above. This presents the overall cash position less long-term borrowings. The long term borrowings is primarily £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 £146.9m in 2021-22, representing the deficit after tax of £73.7m adjusted for non-cash items being mainly pension costs less contributions payable of £221.8m, depreciation of £36.6m and an overall negative movement in working capital of £19.8m. This working capital movement is mainly due to an increase in accrued income as the initial Lighthouse Laboratory contract concludes and a credit note for a Zero rating VAT repayment claim due in respect of construction costs.

Investing activities saw a net cash outflow in 2021-22 of £61.4m, with the purchase of property, plant and equipment of £86.0m (2020-21: £107.8m) due to the ongoing campus development programme and capital grant receipts of £16.7m. Financing activities saw a net cash outflow in 2021-22 of £6.6m with less income from new endowments when compared to 2020-21.

Capital commitments decreased by £48.8m in 2021-22 from £172.6m to £123.8m, mainly relating to commitments from the campus development programme. Further detail on the 15 year planned major project spend is shown at page 25.

FINANCIAL REVIEW

Investment Performance

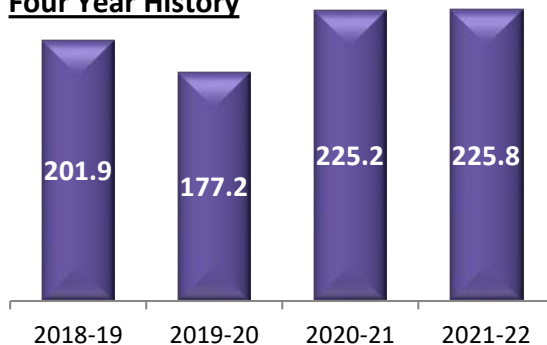
The FTSE All Share index has grown in 2021-22 year at a rate of 5.5%, however the University has only experienced a modest increase in market value of its funds of £0.9m in 2021-22. Returns from the equity components of the holdings were positive overall, however, returns from the fixed income element have been negative, given concerns over the sharp rises in inflation and monetary tightening. This has therefore offset some of the positive performance generated from the equity component. As income is a key objective for the endowment investments there is exposure to certain asset classes such as high yield debt and income focused strategies within the equity component. The movement in the market value of investments in the prior year was considerably higher at £44.5m due to the recovery of the markets after the devaluation caused by the Covid-19 pandemic.

The value of endowment funds has increased in 2021-22 by £0.6m, to £225.8m, with new endowments of £1.2m and investment income and expenditure being £7.8m and £9.3m 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 increased in 2021-22 by £174.0m to £333.2m. This was due to a negative movement in the Universities Superannuation Scheme (USS) of £215.6m, partially offset by a positive movement in the University of Glasgow Pension Scheme (UGPS) of £41.6m.

For USS, in accordance with FRS 102, the University records the present value of its deficit recovery commitments and updates key assumptions on an annual basis, these being the discount rate, future payroll and headcount growth. The provision is based on the deficit recovery plan that was put in place in March 2022, with a new Schedule of Contributions based on the 2020 actuarial valuation. In the 2021-22 year, employer contributions increased firstly to 21.4% and further to 21.6% from 1 April 2022. The Schedule of Contributions based on the 2020 actuarial valuation states that from 1 April 2024, employer contributions will return to 21.4%. Employee contributions also increased in the 2021-22 year, on 1 October 2021, from 9.6% to 9.8%.

The scheme provisions for both UGPS and SPF have been subject to actuarial valuation at 31 July 2022 in accordance with FRS 102, with a number of financial and demographic assumptions being applied. The UGPS scheme has seen a reduction in the pension liability from £54.6m in the prior year to £13.0m in the current year. SPF has increased the value of its net asset position from £3.8m in the prior year to £8.4m in the current year. 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 it has been changes to assumptions that are driven by external market conditions that have been the primary drivers of the movements in the provisions. The key positive driver has primarily been an increase in the discount rate due to increases in corporate bonds yields over the year.

FINANCIAL REVIEW

SUMMARY

The University has achieved strong results in the 2021-22 year. Although the impact of Covid-19 has lessened, there are new challenges to be faced within the University and the Higher Education sector in the UK and across the world.

The University continues to be mindful that, looking forward, the environment remains challenging and is constantly changing. The University continues to monitor the various uncertainties surrounding pensions, geopolitics, inflation and other economic factors which continue to pose significant challenges.

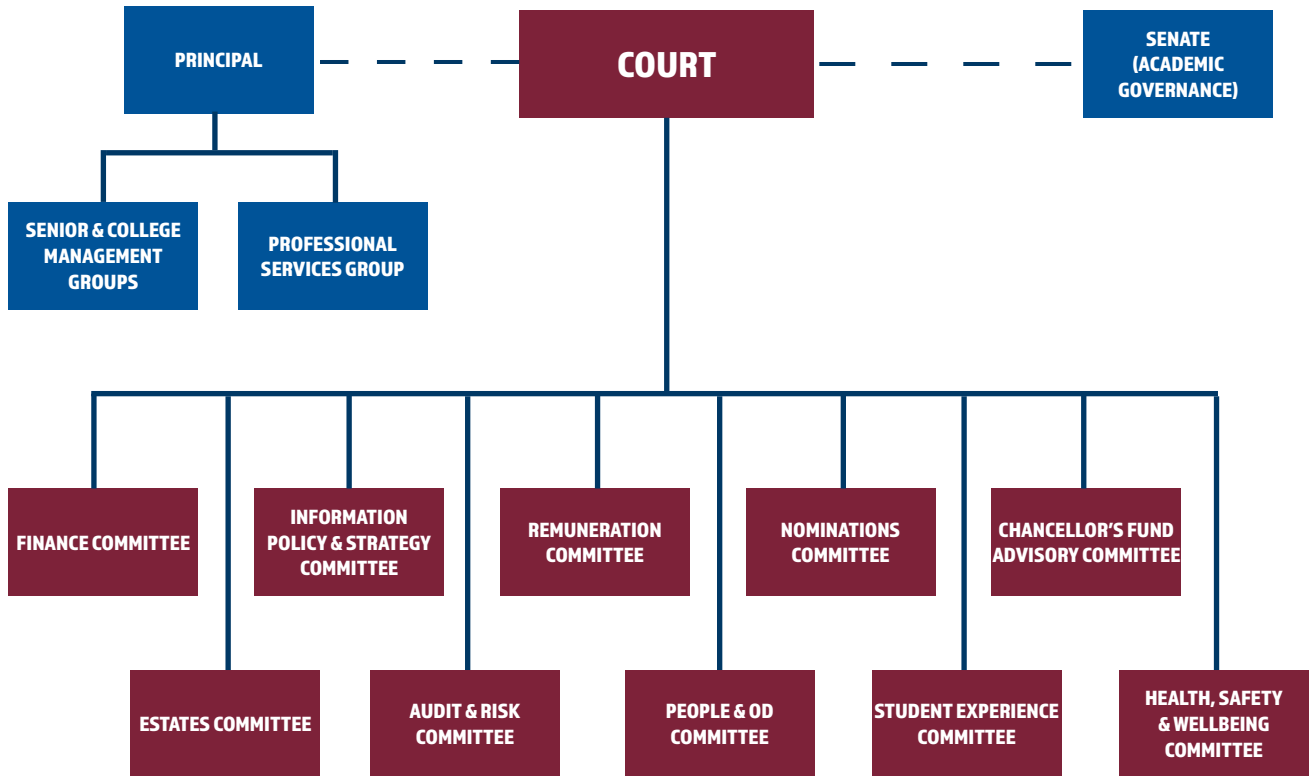
The University is constantly preparing for the potential financial challenges in future years through the application of robust planning and budgeting procedures, basing these on financially prudent assumptions. The University has the required tools and plans in place to manage the risks faced during the current year and in years to come. 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 plans.

Court continues to emphasise that strong financial management is essential and that this should be achieved, whilst ensuring that progress is made towards realising the University's strategic goals.

GOVERNANCE



GOVERNANCE STRUCTURE



The Committees of Court, as identified in the Corporate Governance statement are:

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

MEMBERSHIP OF COURT

Members of Court who served during the year to 31 July 2022 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, 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 (2021/22)
The Rector					
Lady Rita Rae	Apr 2021	Mar 2024	SEC		3/5
The Principal and Vice-Chancellor					
Professor Sir Anton Muscatelli	Oct 2009	Sep 2024	EC, FC, NC, RC, POD, CFAC		5/5
The Chancellor's Assessor					
Mr Ronnie Mercer	Jan 2018	Oct 2023	EC, NC, RC		5/5
Assessor of City of Glasgow Council					
Councillor Susan Aitken	Jun 2017	May 2022		✘	2/5
General Council Assessors					
Mr Stuart Hoggan	Jul 2022	Jul 2026		✘	0/0
Dr Christine Middlemiss	Jul 2022	Jul 2026		✘	0/0
Dr Morag Macdonald Simpson	Jul 2014	Jul 2022	POD, SEC, CFAC	✘	4/5
Ms Lesley Sutherland	Jul 2014	Jul 2022	ARC, NC	✘	5/5
Senate Assessors (Elected Academic Staff)					
Professor Carl Goodyear	Jul 2014	Jul 2022	NC, POD		5/5
Professor Nick Hill	Jan 2016	Jul 2023	FC, IPSC		4/5
Professor Simon Kennedy	Aug 2017	Jul 2025	ARC, FC		5/5
Professor Kirsteen McCue	Aug 2017	Jul 2025	EC, POD		4/5
Dr Bethan Wood	Sep 2017	Jul 2025	EC, SEC		4/5
Elected Professional Services (Support) Staff					
Mr Christopher Kennedy	Aug 2019	Jul 2023	EC		2/5
Trade Union Nominees					
Dr Craig Daly	Aug 2019	Jul 2023	RC		4/5
Ms Paula McKerrow	Aug 2021	Jul 2024	NC, POD, HSWC		4/5
Co-opted Members of Court					
Mr Graeme Bissett	Dec 2013	Dec 2021	FC	✘	1/2
Ms Heather Cousins	Mar 2014	Mar 2022	ARC, NC	✘	3/3
Ms Nicola Dandridge	Jul 2022	Jul 2026		✘	0/0

MEMBERSHIP OF COURT

	Start date	Expiry date	Committee membership	Independent member	Attendance at court meetings (2021/22)
Mr David Finlayson	Oct 2017	Oct 2025	SEC	✘	5/5
Ms Linda Hanna*	Dec 2021	Apr 2022	EC	✘	1/1
Mr Laic Khalique	Apr 2021	Apr 2025	IPSC	✘	4/5
Mr Jonathan Loukes	Dec 2021	Dec 2025	FC	✘	3/3
Dr June Milligan	Sep 2015	Oct 2023	POD, RC	✘	4/5
Mr David Milloy	Dec 2013	Dec 2021	EC	✘	2/2
Ms Elspeth Orcharton	Oct 2016	Oct 2024	FC, ARC	✘	5/5
Ms Elizabeth Passey**	Aug 2016	Jul 2024**	FC,NC,RC	✘	4/5
Mr Shan Saba	Apr 2022	Apr 2026	POD	✘	0/2
Mr Gavin Stewart	Apr 2017	Mar 2025	FC, IPSC	✘	4/5
President of the Students' Representative Council (SRC)					
Ms Ella McCabe	Jul 2021	Jun 2022	EC, FC, NC, RC, SEC, CFAC, IPSC		5/5
Ms Rinna Vare	Jul 2022	Jun 2023	EC, FC, NC, RC, SEC, CFAC, IPSC		0/0
Assessor of the Students' Representative Council (SRC)					
Ms Julia Hegele	Oct 2020	Oct 2021			0/1
Mr Duncan Henderson	Oct 2021	Jul 2022			4/4
University Secretary					
Dr David Duncan***			EC, NC, HSWC, POD, SEC, CFAC		5/5

* The Expiry date shown reflects the resignation date of Ms Linda Hanna in April 2022.

** 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

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 (as applicable) guidance 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 with the exception of:

- The Institution is expected to publish rules and procedures for the election of a Senior Lay member on its website, along with the membership of the committee managing this process.

Action is being taken to address this and Court expects to be compliant by 2024 to align with the end of term of the current convener.

- The membership of the Nominations Committee should have a lay member majority.

As of November 2021 changes have been made to the Committee membership so that there is now a lay member majority going forward.

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.

Between formal meetings of Court and its sub-committees, the Convener of Court has kept in regular contact with the Principal and senior officers as the Covid-19 pandemic has progressed. Key information has been shared with Court members as a whole, and officers have responded to input from Court members regarding the University's response. During the Financial Year 2021/22 all Court meetings returned to be in-person meetings.

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 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/media/media_572263_en.pdf.

Court has 25 members and, in the financial year 2021-22,

CORPORATE GOVERNANCE STATEMENT

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 Senate, 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 timeframes required in the Act.

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. From 1 August to 30 November 2021, the Committee was chaired by Graeme Bissett and the Vice-Chair was Elspeth Orcharton, an independent member of Court. From 1 December 2021 until 31 July 2022, the committee was chaired by Gavin Stewart, an independent member of Court and a process is underway to appoint a new Vice-Chair. The Committee normally meets five times a year.

The **Audit & Risk Committee** 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 2022, the Committee was chaired by Heather Cousins till March

2022 and Elspeth Orcharton thereafter, both of whom are independent members 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. The Committee was chaired by Lesley Sutherland, a General Council Assessor on Court and the Vice-Chair was Ronnie Mercer, The Chancellor's Assessor. 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 2022 are set out in note 7 to the financial statements. During the year to 31 July 2022, the Committee was chaired by June Milligan, an independent member of Court and the Vice-Chair was Ronnie Mercer, the Chancellor's Assessor. The Committee meets at least once 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, which also includes the Senior Vice Principal & Deputy Vice Chancellor, Vice-Principals (9 in total), Chief Operating Officer & University Secretary, the Executive Director of Finance, the Executive Director of HR and the Deputy Secretary.

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

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

- the annual P&DR discussion conducted by the Convener of Court, reflecting feedback from staff,

CORPORATE GOVERNANCE STATEMENT

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 Chancellor's Assessor.

The **People and Organisational Development Committee** (Human Resource 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 2022, 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 four 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 2022, the Committee was chaired by the Chancellor's Assessor, Ronnie Mercer. The Vice-Chair was David Milloy until 31 December 2021 and a process is currently underway to appoint a new Vice-Chair. 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 2022, the Committee was Chaired by Professor Frank Coton, Senior-Vice Principal / Deputy Vice Chancellor (Academic). The Vice-Chair, Laic Khalique, was appointed to the post during the Financial Year.

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 2022, the Committee was chaired by the Chief Operating Officer and University Secretary, David Duncan and the Vice-Chair was Elise Gallagher, Deputy Director of Human Resources. The Committee 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 2022, 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. It was co-chaired by the Chief Operating Officer and University Secretary, and the President of the SRC. 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

CORPORATE GOVERNANCE STATEMENT

experience reflects the diversity of needs within the student population; and reviewing and monitoring the effectiveness of services and determining their priorities. The Committee meets at least 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 from 1 August is 133.

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 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 the Vice-Principals and senior staff from the Finance Office and Human Resources.

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 Auditor has 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 2022 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 website www.gla.ac.uk.

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'). 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:

CORPORATE GOVERNANCE STATEMENT

Media_767316_smxx.pdf (gla.ac.uk).

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 & Value, Operating Review and Financial Review sections.

At 31 July 2022 the University held cash and cash equivalents of £565.4m, while net current assets were £351.7m 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 2022 and forecasts significant headroom in its covenant

compliance throughout the going concern period to 31 January 2024.

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 2024 from the 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 61 to 65.

Elizabeth Passey

Convener of Court

23 November 2022

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. Amongst its duties, which are summarised in a formal Statement of Primary Responsibilities, 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 outturns;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by 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 2022 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
23 November 2022

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 61 to 65.

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' instructions. 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 2022 the University's outstanding payments represented approximately 12 days' purchases compared to 8 days in 2021. 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 of the University 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 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 counterparty capacity.

Individual institutions must be rated at a minimum of BBB+ (as per Standard and Poor's long-term rate) with money market funds at a minimum of A+ rated. The maximum term for deposits being set at 95 days. Limits on individual institutions range from £50-75m.

The University is exposed to changing interest rates, although the exposure is viewed as low given that interest receivable from interest was 0.18% of total income in the year (2021: 0.10%).

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. Court has committed to full divestment by 2024.

Tax strategy

The University is committed to transparent reporting and has published its tax strategy for 2022-23 on the University's website. The document addresses the University's approach to risk management and governance, the University's 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 establishes the expected behaviours of students and staff. Work towards an inclusive and respectful

UNIVERSITY POLICIES

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/timeframe and success measures/ intended impact is available, together with previously published reports, at: <https://www.gla.ac.uk/myglasgow/humanresources/equalitydiversity/equalityact/#publicsectorequalitydutyoverview,publicsectorequalityduty-april2021-newreportingcycle>

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 tables below show the information reported for the year to 31 March 2022:

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

UNIVERSITY POLICIES

Table 1 - Relevant union officials

Year to 31 March 2022

Number of employees who were relevant union officials during the relevant period	44
Full-time equivalent employee number	39.8

Table 2 - Percentage of time spent on facility time

0%	-
1%-50%	44
51%-99%	-
100%	-
	44

Table 3 - Percentage of pay bill spent on facility time

Total cost of facility time	£90k
Total pay bill	£409,442k
Percentage of the total pay bill spent on facility time (calculated as total cost of facility time / total pay bill * 100)	0.02%

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%
--	--------------

Professor Anton Muscatelli
Principal

Gavin Stewart
Chair of Finance Committee

Gregor Caldwell
Executive Director of Finance



INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S 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 2022 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 Annual Report and Accounts (the "Annual Report"), which comprise the Consolidated and Institution statement of financial position as at 31 July 2022; 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 AUDITOR'S 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 relating to the reports and financial statements set out on pages 51-52, 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 risk was 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;

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

- Inquiries with management, including consideration of known or suspected instances of non-compliance with laws 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 2022

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 2022.

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 2022 the Group held cash and cash equivalents of £583.2m, while net current assets were £368.0m 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. Subsequent to the year-end the University held cash and cash equivalents of £702.0m at 31 October 2022 and had no further borrowing in place. The University complied with all covenant requirements for existing borrowing at 31 July 2022 and, even on its most restrictive covenant, forecasts significant headroom of at least £10m in its covenant compliance at 31 July 2024.

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 2024.

The 2022 budget, which fully covers the period of the going concern assessment up to 31 January 2024, 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 2022. 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 at cost where the object is purchased or at an appropriate value where the object is donated. The threshold for capitalisation is £50k. Where it is not practicable to obtain a valuation, details of such significant donations 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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

the University. Under FRS 102, past service costs are 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 £333.2m (Consolidated) and £332.3m (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 (£982.7m (Consolidated) and £968.9m (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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

based on historical experience with similar assets as well 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 2022

	Note	Consolidated		University	
		2022 £m	2021 £m	2022 £m	2021 £m
Income					
Tuition fees and education contracts	1	380.7	292.8	375.4	288.9
Funding body grants	2	179.0	198.4	179.0	198.4
Research grants and contracts	3	196.1	173.3	196.1	173.3
Other income	4	156.6	132.3	156.1	132.6
Investment income	5	9.5	6.3	9.5	6.3
Donations and endowments	6	7.5	9.9	7.5	9.9
Total income		929.4	813.0	923.6	809.4
Expenditure					
Staff costs	7	437.0	400.3	433.2	397.3
Movement on USS provision	29	215.6	5.5	215.0	5.6
Other operating expenses	9	305.8	248.9	306.5	249.6
Depreciation	11	36.6	33.6	36.1	33.1
Interest and other finance costs	8	7.7	7.6	7.7	7.6
Total expenditure		1,002.7	695.9	998.5	693.2
(Deficit)/surplus before other gains/(losses)		(73.3)	117.1	(74.9)	116.2
Gain on disposal of tangible assets		-	0.3	-	0.3
Gain on disposal of other investments		-	0.3	-	-
(Loss)/gain on investments	13	(0.1)	44.3	0.9	44.5
(Deficit)/surplus before tax		(73.4)	162.0	(74.0)	161.0
Taxation	10	(0.3)	(0.1)	-	-
(Deficit)/surplus after tax		(73.7)	161.9	(74.0)	161.0
Other comprehensive income/(loss)					
Unrealised exchange gain/(loss)		0.7	(0.2)	-	-
Actuarial gain/(loss) in respect of defined benefit pension schemes	29	47.8	(17.6)	47.8	(17.6)
Total comprehensive (loss)/income for the year		(25.2)	144.1	(26.2)	143.4
Represented by					
Endowment comprehensive income for the year		0.6	48.0	0.6	48.0
Restricted comprehensive income for the year		3.8	5.3	3.8	5.3
Unrestricted comprehensive (loss)/income for the year		(29.6)	90.8	(30.6)	90.1
		(25.2)	144.1	(26.2)	143.4

All items of income and expenditure relate to continuing activities.
The accompanying notes and policies on pages 61 to 100 form part of these financial statements.

CONSOLIDATED AND INSTITUTION STATEMENT OF CHANGES IN RESERVES

for the year ended 31 July 2022

Consolidated	Income & expenditure reserve			Total
	Endowment	Restricted	Unrestricted	
	£m	£m	£m	
Balance at 1 August 2020	177.2	20.9	675.5	873.6
Surplus for the year	48.0	5.3	108.6	161.9
Other comprehensive loss	-	-	(17.8)	(17.8)
Total comprehensive income for the year	48.0	5.3	90.8	144.1
Balance at 31 July 2021	225.2	26.2	766.3	1,017.7
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

University	Income & expenditure reserve			Total
	Endowment	Restricted	Unrestricted	
	£m	£m	£m	
Balance at 1 August 2020	177.2	20.9	666.5	864.6
Surplus for the year	48.0	5.3	107.7	161.0
Other comprehensive loss	-	-	(17.6)	(17.6)
Total comprehensive income for the year	48.0	5.3	90.1	143.4
Balance at 31 July 2021	225.2	26.2	756.6	1,008.0
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

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 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 2022

	Note	Consolidated		University	
		2022	2021	2022	2021
		£m	£m	£m	£m
Non-current assets					
Tangible assets	11	982.7	940.5	968.9	926.2
Investments	13	229.9	229.9	248.4	247.7
		1,212.6	1,170.4	1,217.3	1,173.9
Current assets					
Stock	14	0.8	1.0	0.6	0.7
Trade and other receivables	15	118.0	87.7	119.1	88.6
Cash and cash equivalents	21	583.2	503.6	565.4	488.9
		702.0	592.3	685.1	578.2
Creditors: amounts falling due within one year	16	(334.0)	(329.2)	(333.4)	(328.6)
Net current assets		368.0	263.1	351.7	249.6
Total assets less current liabilities		1,580.6	1,433.5	1,569.0	1,423.5
Creditors: amounts falling due after more than one year	17	(251.8)	(252.7)	(251.8)	(252.7)
Provisions					
Pension provisions	29	(333.2)	(159.2)	(332.3)	(158.9)
Other provisions	18	(3.1)	(3.9)	(3.1)	(3.9)
Total net assets		992.5	1,017.7	981.8	1,008.0
Restricted reserves					
Endowment reserve	19	225.8	225.2	225.8	225.2
Restricted reserve	20	30.0	26.2	30.0	26.2
Unrestricted reserve					
Income and expenditure reserve		736.7	766.3	726.0	756.6
Total reserves		992.5	1,017.7	981.8	1,008.0

The financial statements on pages 61 to 100 were approved by the University Court of the University of Glasgow on 23 November 2022 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 2022

		Consolidated	
	Note	2022 £m	2021 £m
Cash flow from operating activities			
(Deficit)/surplus for the year before tax		(73.4)	162.0
Taxation		(0.3)	(0.1)
(Deficit)/surplus for the year		(73.7)	161.9
Adjustment for non-cash items			
Depreciation	11	36.6	33.6
Decrease in stock		0.2	-
Increase in debtors		(17.9)	(7.8)
(Decrease)/increase in creditors		(1.3)	46.9
Decrease in other provisions		(0.8)	(0.3)
Pension costs less contributions payable		221.8	10.8
Changes in values of endowment assets and other investments		0.1	(44.3)
Adjustment for investing and financing activities			
Investment income	5	(9.5)	(6.3)
Net expenditure/(income) on endowment assets	13	1.5	(1.1)
New endowments	6	(1.2)	(2.3)
Gain on disposal of non-current assets		-	(0.3)
Gain on disposal of investments		-	(0.3)
Loan finance included in creditors		1.0	1.0
Interest payable and other finance costs		6.8	7.2
Capital grant income		(16.7)	(19.0)
Net cash inflow from operating activities		146.9	179.7
Cash flow from investing activities			
Endowment assets acquired		(1.2)	(2.3)
Payments to acquire other investments		(0.4)	(0.3)
Receipts from the sale of other investments		-	0.5
Payments to acquire tangible assets		(86.0)	(107.8)
Proceeds from sale of tangible assets		-	0.3
Investment income	5	9.5	6.3
Capital grant receipts		16.7	19.0
Net cash outflow from investing activities		(61.4)	(84.3)
Cash flows from financing activities			
Interest paid and other finance costs		(6.8)	(7.2)
Repayment of unsecured loan		(1.0)	(1.0)
New endowments	6	1.2	2.3
Net cash outflow from financing activities		(6.6)	(5.9)
Currency translation		0.7	(0.2)
Increase in cash and cash equivalents in the year		79.6	89.3
Cash and cash equivalents at beginning of the year		503.6	414.3
Cash and cash equivalents at end of the year		583.2	503.6
Increase in cash and cash equivalents in the year		79.6	89.3

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

1 Tuition fees and education contracts

	Consolidated		University	
	2022	2021	2022	2021
	£m	£m	£m	£m
Home students	46.6	42.5	46.6	42.5
EU students	8.7	11.0	8.7	11.0
Rest of the UK students	23.0	20.5	23.0	20.5
Overseas students	281.5	200.3	276.2	196.4
Short courses	6.2	4.5	6.2	4.5
Other fees	1.2	1.2	1.2	1.2
Research support grants	13.5	12.8	13.5	12.8
	380.7	292.8	375.4	288.9

2 Funding body grants

	Consolidated		University	
	2022	2021	2022	2021
	£m	£m	£m	£m
Main teaching grant	96.5	90.0	96.5	90.0
Main quality research grant	49.9	49.0	49.9	49.0
Additional Covid-19 funding	-	27.3	-	27.3
Research postgraduate grant	8.6	8.4	8.6	8.4
Knowledge transfer grant	1.7	1.6	1.7	1.6
Infrastructure grants	10.6	11.1	10.6	11.1
Other funding council grants	11.7	11.0	11.7	11.0
	179.0	198.4	179.0	198.4

3 Research grants and contracts

	Consolidated		University	
	2022	2021	2022	2021
	£m	£m	£m	£m
Research Councils	77.5	68.5	77.5	68.5
UK Charities	48.8	41.9	48.8	41.9
UK Government	26.2	23.7	26.2	23.7
European Union	16.2	15.2	16.2	15.2
UK industry	9.0	7.8	9.0	7.8
Overseas	12.0	9.0	12.0	9.0
Other sources	1.2	2.4	1.2	2.4
Capital grant income	5.2	4.8	5.2	4.8
	196.1	173.3	196.1	173.3

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

4 Other income

	Consolidated		University	
	2022	2021	2022	2021
	£m	£m	£m	£m
Residences and hospitality services	28.9	19.8	28.9	19.8
Other services rendered	95.7	83.9	93.0	82.2
Health authorities	5.1	5.2	5.1	5.2
Other income	26.0	19.5	28.2	21.6
Government grants	-	3.1	-	3.0
Capital grant income	0.9	0.8	0.9	0.8
	156.6	132.3	156.1	132.6

In the year ended 31 July 2021, the University granted a rent-free period of four weeks to students in University residences due to the Covid-19 pandemic. In the year ended 31 July 2021 this reduced income from Residences and hospitality services by £1.4m.

Government grants solely comprise furlough income from the Coronavirus Job Retention Scheme to cover staff costs. The average number of staff on furlough during the period from 1 August 2021 until the scheme ended on 30 September 2021 was 54 (year ended 31 July 2021: 318).

5 Investment income

	Consolidated		University	
	2022	2021	2022	2021
	£m	£m	£m	£m
Income from expendable endowments	1.2	0.8	1.2	0.8
Income from permanent endowments	6.6	4.7	6.6	4.7
Income from short-term investments	1.7	0.8	1.7	0.8
	9.5	6.3	9.5	6.3

6 Donations and endowments

	Consolidated		University	
	2022	2021	2022	2021
	£m	£m	£m	£m
New endowments	1.2	2.3	1.2	2.3
Donations - restricted	6.1	6.9	6.1	6.9
Donations - unrestricted	0.2	0.7	0.2	0.7
	7.5	9.9	7.5	9.9

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

7 Staff costs

	Consolidated		University	
	2022	2021	2022	2021
	£m	£m	£m	£m
Salaries	313.0	287.7	309.8	285.1
Social security costs	33.4	29.0	33.1	28.8
Other pension costs	90.6	83.6	90.3	83.4
	437.0	400.3	433.2	397.3

Breakdown of other pension costs included in note 29.

By staff category:

Academic departments	170.4	156.6	168.9	155.3
Academic services	18.7	17.3	18.7	17.3
Research grants and contracts	83.7	76.3	83.7	76.3
Residences and hospitality services	2.1	2.4	1.6	2.4
Premises	13.8	14.7	13.8	14.7
Administration and other central services	23.0	21.2	22.7	20.9
Other income generating	34.7	28.2	33.5	27.0
Other pension costs	90.6	83.6	90.3	83.4
	437.0	400.3	433.2	397.3

There were no payments for loss of office greater than £0.1m during the year (2021: none). No payments for loss of office were made to employees who earned in excess of £0.1m during the year (2021: payment of £0.05m was made to one employee).

	2022	2021
	Number	Number
Average full-time equivalent staff members by major category:		
Academic departments	3,161	2,913
Academic services	470	441
Research grants and contracts	1,615	1,580
Residences and hospitality services	81	93
Premises	451	503
Administration and other central services	595	533
Other income generating	900	766
	7,273	6,829

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

7 Staff costs (continued)

	2022 £m	2021 £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 2022 (2021: none).

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

9.62:1 9.97:1

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. The remuneration earned in the year ended 31 July 2022 was £12.4k (2021: £12.6k).

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 (2021: £2.8m).

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 2022

7 Staff costs (continued)

	2022			2021		
	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	59	18	-	46	16	-
£110,001 - £120,000	41	11	-	28	7	-
£120,001 - £130,000	16	7	1	17	9	3
£130,001 - £140,000	15	4	3	9	5	1
£140,001 - £150,000	6	5	4	5	5	3
£150,001 - £160,000	3	14	1	3	15	1
£160,001 - £170,000	4	12	1	3	7	-
£170,001 - £180,000	3	3	-	3	2	1
£180,001 - £190,000	3	2	-	2	2	1
£190,001 - £200,000	1	3	-	3	7	-
£200,001 - £210,000	3	6	2	1	3	2
£210,001 - £220,000	-	2	-	-	3	-
£220,001 - £230,000	-	1	-	-	2	2
£230,001 - £240,000	-	-	2	-	1	-
£240,001 - £250,000	-	1	-	-	-	-
£250,001 - £260,000	-	-	-	-	-	-
£260,001 - £270,000	-	-	-	-	-	-
£270,001 - £280,000	-	-	-	-	-	-
£280,001 - £290,000	-	-	-	-	-	-
£290,001 - £300,000	-	-	-	-	-	-
£300,001 - £310,000	-	1	-	-	1	-
£310,001 - £320,000	-	-	-	1	-	-
£320,001 - £330,000	1	-	-	-	-	-
£330,001 - £340,000	-	-	-	-	-	-
£340,001 - £350,000	-	-	-	-	-	-
£350,001 - £360,000	-	-	-	-	-	-
£360,001 - £370,000	-	-	1	-	-	1

The Principal is included in the table above. In 2021, one key management personnel with total remuneration of less than £0.1m was excluded from this table.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

8 Interest and other finance costs

	Consolidated		University	
	2022	2021	2022	2021
	£m	£m	£m	£m
Interest on private placement bonds	6.5	6.5	6.5	6.5
Interest on unsecured loan	-	-	-	-
Other finance costs	0.3	0.7	0.3	0.7
Net cost on pension schemes	0.9	0.4	0.9	0.4
	7.7	7.6	7.7	7.6

9 Other operating expenses

	Consolidated		University	
	2022	2021	2022	2021
	£m	£m	£m	£m
Academic departments	103.7	76.0	103.7	76.0
Academic services	17.9	16.1	17.9	16.1
Research grants and contracts	69.5	60.0	69.5	60.0
Residences and hospitality services	23.0	18.9	23.0	18.9
Premises	42.6	36.8	42.6	36.8
Administration and other central services	30.7	19.3	34.1	21.8
Agency staff	3.9	2.8	3.9	2.8
Other income generating	14.5	19.0	11.8	17.2
	305.8	248.9	306.5	249.6

	Consolidated	
	2022	2021
	£m	£m
Other operating expenses include:		
Operating lease rentals - land and buildings	17.2	16.2
External auditor's remuneration		
• audit and assurance related services	0.3	0.2
• non-audit related services	0.2	-
Internal auditor's remuneration		
• audit and assurance related services	0.3	0.2
• non-audit related services	0.3	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

10 Taxation

	Consolidated	
	2022	2021
	£m	£m
UK corporation tax at 19% (2021: 19%)	-	-
Singapore corporation tax at 17% (2021: 17%)	0.3	0.1
Total tax expense	0.3	0.1
Reconciliation of current corporation tax charge:		
(Deficit)/surplus before taxation – UK	(75.5)	161.1
Surplus before taxation – Singapore	2.1	0.9
	(73.4)	162.0
(Deficit)/surplus before taxation multiplied by the average standard rate of corporation tax in the UK of 19% (2021: 19%)	(14.0)	30.8
Effect of:		
Add back/(deduction) for deficit/surplus falling within charitable exemption	14.4	(30.6)
Effect of tax rates in foreign jurisdiction	(0.1)	(0.1)
Total tax expense	0.3	0.1

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 2021	914.8	151.3	11.6	204.3	1,282.0
Additions	-	11.2	-	67.6	78.8
Transfers	102.9	-	-	(102.9)	-
Disposals	-	(0.2)	-	-	(0.2)
At 31 July 2022	1,017.7	162.3	11.6	169.0	1,360.6
Accumulated depreciation:					
At 1 August 2021	216.6	122.6	2.3	-	341.5
Charge for the year	26.2	10.0	0.4	-	36.6
Disposals	-	(0.2)	-	-	(0.2)
At 31 July 2022	242.8	132.4	2.7	-	377.9
Net Book Value:					
At 31 July 2022	774.9	29.9	8.9	169.0	982.7
At 1 August 2021	698.2	28.7	9.3	204.3	940.5

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

11 Tangible assets (continued)

	University				Total £m
	Freehold land and buildings	Equipment	Plant and machinery	Assets under construction	
	£m	£m	£m	£m	
Cost:					
At 1 August 2021	909.2	151.3	-	204.3	1,264.8
Additions	-	11.2	-	67.6	78.8
Transfers	102.9	-	-	(102.9)	-
Disposals	-	(0.2)	-	-	(0.2)
At 31 July 2022	1,012.1	162.3	-	169.0	1,343.4
Accumulated depreciation:					
At 1 August 2021	216.0	122.6	-	-	338.6
Charge for the year	26.1	10.0	-	-	36.1
Disposals	-	(0.2)	-	-	(0.2)
At 31 July 2022	242.1	132.4	-	-	374.5
Net Book Value:					
At 31 July 2022	770.0	29.9	-	169.0	968.9
At 1 August 2021	693.2	28.7	-	204.3	926.2

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 includes £94.7m of land (2021: £94.7m) which is not depreciated and £169m (2021: £204.3m) of assets that are under construction and have not yet received a charge for depreciation.

12 Heritage assets

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 medicine in Scotland, which includes the eminent Scottish physician and obstetrician, William Hunter's own medical collection from the 18th century. 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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

12 Heritage assets (continued)

Rennie Mackintosh Collection is the largest single holding of his work comprising over 800 drawings, designs and watercolours.

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 0.6m specimens.

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 65% 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 and Hunterian Art Gallery were both generally open Tuesday to Sunday from 10am to 5pm, except during periods of Covid-19 lockdown. The Mackintosh House and Zoology Museum remained closed during the financial year due to physical distancing guidelines.

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 and is currently under review. There have been no significant acquisitions or disposals during the financial year.



Students study works of art at the Hunterian Art Gallery

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

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, with virtual appointments 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/specialcollections/aboutus/> and http://www.gla.ac.uk/media/media_514812_en.pdf.

Two items were bequeathed to the University during the year – the Bone archive and a collection of some 200 Spanish early printed books. There have been no significant disposals during the financial year.

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 on the Statement of Financial Position, other than recent acquisitions which are reported at cost, where the object is purchased, or at the University's best estimate of current value where the object is donated and meets the definition of a heritage asset. The estimated value of the two items that were bequeathed to the University during the year are below the capitalisation threshold of £50k and they are therefore not recognised in the Statement of Net Assets.

13 Investments

	Consolidated				Total
	Treasury stock	Unlisted investments	Listed investments	Endowment assets	
	£m	£m	£m	£m	£m
At 1 August 2021	1.5	2.0	1.2	225.2	229.9
Additions	-	0.4	-	1.2	1.6
Disposals	-	-	-	-	-
Net expenditure	-	-	-	(1.5)	(1.5)
Change in market value	-	-	(1.0)	0.9	(0.1)
At 31 July 2022	1.5	2.4	0.2	225.8	229.9

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 2022

13 Investments (continued)

Consolidated as at 31 July 2022

Unlisted investments	£m	Listed investments	£m	Endowment assets	£m
Epidarex Capital II, LP	1.5	Sorrento Therapeutics Inc	0.2	Equities	195.1
Epidarex Capital III, LP	0.5			Fixed interest	19.9
Keltic Pharma Limited*	0.1			Alternatives	(0.1)
Nami Surgical Limited*	0.1			Cash and cash equivalents	10.9
CVCP Properties PLC	0.1				
Other	0.1				
	2.4		0.2		225.8

*Investment includes convertible loans

Cash and cash equivalents within endowment assets comprises £10.5m (2021: £8.9m) which is held between the two external investment managers to facilitate portfolio management and £0.4m (2021: £8.9m) 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 2021	1.5	21.0	-	225.2	247.7
Additions	-	0.1	-	1.2	1.3
Disposals	-	-	-	-	-
Net expenditure	-	-	-	(1.5)	(1.5)
Change in market value	-	-	-	0.9	0.9
At 31 July 2022	1.5	21.1	-	225.8	248.4

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

University as at 31 July 2022

Unlisted investments	£m	Listed investments	£m	Endowment assets	£m
Subsidiary undertakings*	21.0		-	Equities	195.1
Other	0.1			Fixed interest	19.9
				Alternatives	(0.1)
* (analysed over the page)				Cash and cash equivalents	10.9
	21.1		-		225.8

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

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%*	-
Clyde Hydrogen Systems Ltd	Scotland	Dormant	100%*	-
Glasgow Business School Limited	Scotland	Dormant	100%*	-
Glasgow International College	Scotland	Dormant	100%*	-
The Hunterian Limited	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	
	2022	2021	2022	2021
	£m	£m	£m	£m
Raw materials & supplies	0.5	0.6	0.5	0.6
Finished goods	0.3	0.4	0.1	0.1
	0.8	1.0	0.6	0.7

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

15 Trade and other receivables

	Consolidated		University	
	2022	2021	2022	2021
	£m	£m	£m	£m
Research grants and contracts	57.0	56.1	57.0	56.1
Prepayments and other sundry debtors	45.4	23.4	44.7	22.9
Salaries recoverable externally	3.6	2.8	3.6	2.8
Courses, consultancies and contracts	12.0	5.4	12.0	5.4
Amounts due from subsidiaries	-	-	1.8	1.4
	118.0	87.7	119.1	88.6

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	
	2022	2021	2022	2021
	£m	£m	£m	£m
Unsecured loan	1.0	1.1	1.0	1.1
Research grants and contracts	136.9	129.8	136.9	129.8
Sundry creditors	45.6	39.1	45.0	38.8
Accruals and sundry provisions	110.9	114.4	110.1	113.9
Courses, consultancies and contracts	28.2	35.0	28.2	35.0
Other taxation and social security	11.4	9.8	11.3	9.7
Amounts due to subsidiaries	-	-	0.9	0.3
	334.0	329.2	333.4	328.6

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	
	2022	2021	2022	2021
	£m	£m	£m	£m
Deferred income				
Research grants (within research grants and contracts)	104.0	102.0	104.0	102.0
Other income (within courses, consultancies and contracts)	21.7	22.0	21.7	22.0
	125.7	124.0	125.7	124.0

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

17 Creditors: amounts falling due after more than one year

	Consolidated		University	
	2022	2021	2022	2021
	£m	£m	£m	£m
Unsecured loan	6.8	7.7	6.8	7.7
Private placement bonds	245.0	245.0	245.0	245.0
	251.8	252.7	251.8	252.7

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	2.8	3.7	2.8	3.7
	6.8	7.7	6.8	7.7

The University has an unsecured loan from the Scottish Funding Council for £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 2021	2.6	1.3	3.9
Income	-	-	-
Utilised in year	(0.1)	(0.1)	(0.2)
Statement of Comprehensive Income and Expenditure	(0.3)	(0.3)	(0.6)
At 31 July 2022	2.2	0.9	3.1

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 2022

19 Endowment reserve

	Consolidated and University				
	Unrestricted Permanent	Restricted Permanent	Restricted Expendable	2022 Total	2021 Total
	£m	£m	£m	£m	£m
Balance at 1 August					
Capital value	1.9	156.1	32.1	190.1	144.2
Accumulated income	0.5	29.6	5.0	35.1	33.0
	2.4	185.7	37.1	225.2	177.2
New endowments	-	0.3	0.9	1.2	2.3
Investment income	0.1	6.5	1.2	7.8	5.5
Expenditure	-	(7.8)	(1.5)	(9.3)	(4.3)
Increase in market value	-	0.7	0.2	0.9	44.5
At 31 July	2.5	185.4	37.9	225.8	225.2
Represented by:					
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
Analysis by type of purpose:					
Lectureships	2.5	76.1	22.1	100.7	99.5
Scholarships and bursaries	-	95.3	15.5	110.8	111.6
Prize funds	-	7.9	0.2	8.1	8.1
General	-	6.1	0.1	6.2	6.0
	2.5	185.4	37.9	225.8	225.2

20 Restricted reserve

	Consolidated		University	
	Capital grants	Donations	2022 Total	2021 Total
	£m	£m	£m	£m
At 1 August	-	26.2	26.2	20.9
Research	-	0.9	0.9	2.2
New donations	-	6.1	6.1	6.9
Expenditure	-	(3.2)	(3.2)	(3.8)
Capital grant income	16.7	-	16.7	19.0
Capital grants utilised	(16.7)	-	(16.7)	(19.0)
At 31 July	-	30.0	30.0	26.2

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

21 Cash and cash equivalents

	Consolidated	
	2022	2021
	£m	£m
At 1 August	503.6	414.3
Cash inflow for the year	79.6	89.3
At 31 July	583.2	503.6

22 Consolidated reconciliation of net cash

	Consolidated	
	2022	2021
	£m	£m
At 1 August	254.5	164.3
Movement in cash and cash equivalents	79.6	89.3
Additions to other investments	0.4	0.3
Disposal of investment funds	-	(0.1)
Movement in unsecured loan	1.0	1.0
Change in market value	(1.0)	(0.3)
At 31 July	334.5	254.5

Analysis of net cash:

Non-current Investments (excluding endowment assets)	4.1	4.7
Cash and cash equivalents	583.2	503.6
Unsecured loan	(7.8)	(8.8)
Private placement bonds	(245.0)	(245.0)
At 31 July	334.5	254.5

23 Commitments

	Consolidated		University	
	2022	2021	2022	2021
	£m	£m	£m	£m
Contracted at 31 July but not accrued	62.5	115.5	62.5	115.5
Authorised but not contracted at 31 July	61.3	57.1	61.3	57.1
	123.8	172.6	123.8	172.6

Commitments all relate to the University's capital programme, with £104m (2021: £160m) 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 2022

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		University	
	2022	2021	2022	2021
	£m	£m	£m	£m
Lease commitments as a lessee:				
Within one year	21.6	15.2	21.6	15.2
In two to five years	35.3	4.8	35.3	4.8
After more than five years	1.7	1.5	1.7	1.5
	58.6	21.5	58.6	21.5

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

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 Childcare £m	HE Discretionary £m	HE Covid £m	2022 Total £m	2021 Total £m
At 1 August	-	-	1.7	1.7	1.2
Funds received in year	0.2	1.2	0.1	1.5	4.3
Expenditure	(0.2)	(2.6)	(0.3)	(3.1)	(3.8)
Virements	-	1.4	(1.4)	-	-
Return of funds	-	-	-	-	-
At 31 July	-	-	0.1	0.1	1.7
Analysis of closing balance					
Advance of funds for next academic year	-	-	0.1	0.1	1.7

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

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	
	2022	2021	2022	2021
	£m	£m	£m	£m
USS - contributions payable	72.6	65.9	72.4	65.7
UGPS - charge to income statement	12.2	12.6	12.2	12.6
SPF - charge to income statement	0.2	0.2	0.2	0.2
Other schemes - contributions paid	5.6	4.9	5.5	4.9
Total pension costs at 31 July	90.6	83.6	90.3	83.4

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 a 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 2022

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	
	2022	2021	2022	2021
	£m	£m	£m	£m
Pension provisions at 1 August:				
USS deficit reduction plan provision	(320.2)	(104.6)	(319.3)	(104.3)
UGPS net deficit in the scheme	(13.0)	(54.6)	(13.0)	(54.6)
SPF net surplus in the scheme	-	-	-	-
Total pension provisions at 31 July	(333.2)	(159.2)	(332.3)	(158.9)

As shown at note 29 (c), SPF had a net surplus of £8.4m as at 31 July 2022 (2021: £3.8m). 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 the Statement of Comprehensive Income and Expenditure:

UGPS	47.8	(18.4)	47.8	(18.4)
SPF	-	0.8	-	0.8
Total gain/(loss) for the year	47.8	(17.6)	47.8	(17.6)

Interest and other finance costs:

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

29 Pension schemes (continued)

a) USS

Obligation to fund deficit on USS

The obligation to fund the past deficit on USS arises from the contractual obligation with the USS to fund deficit payments in accordance with the deficit recovery plan. In calculating this provision, 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	
	2022	2021	2022	2021
	£m	£m	£m	£m
USS deficit reduction plan provision:				
At beginning of the year	(104.6)	(99.1)	(104.3)	(98.7)
Utilised in the year	5.6	4.2	5.5	4.2
Additions in the period	(220.3)	(9.0)	(219.6)	(9.1)
Unwinding of the discount rate	(0.9)	(0.7)	(0.9)	(0.7)
At 31 July	(320.2)	(104.6)	(319.3)	(104.3)

The Universities Superannuation Scheme (USS) is a UK-wide scheme which throughout preceding periods was a defined benefit only pension scheme. With effect from 1 October 2016, the scheme changed from defined benefit only to a hybrid pension scheme, providing defined benefits (for all members) as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund.

Due to the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees who are members of the scheme and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. Therefore, as is required by Section 28 of FRS 102, "Employee Benefits", the University accounts for the scheme as 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.

On conversion to FRS 102, the University has recognised a provision for the present value of the deficit reduction plan for the USS scheme. The discount rate used by the University to calculate the provision was 3.33% in 2022 (2021: 0.89%). The University is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the University's employees who are members of the scheme. During the year ended 31 July 2022, this percentage was:

- 21.1% between 1 August 2021 and 30 September 2021
- 21.4% between 1 October 2021 and 31 March 2022
- 21.6% between 1 April 2022 and 31 July 2022

The rate of 21.6% will continue to apply until 31 March 2024 at which point it will decrease to 21.4% until 30 April 2038.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

29 Pension schemes (continued)

During the year ended 31 July 2021, the percentage was 21.1% for the whole year.

The total USS pension cost for the University in the year ended 31 July 2022 was £72.4m (2021: £65.7m). This includes £6.2m (2021: £5.6m) of outstanding contributions at the year end.

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.

Since the University cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures in respect of the 2020 valuation that was finalised on 30 September 2021, 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 adopt a statutory funding objective, which is 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 2022

29 Pension schemes (continued)

The current life expectancies used in the 2020 valuation on retirement at age 65 are:

Males currently aged 65	23.9
Females currently aged 65	25.5
Males currently aged 45	25.9
Females currently aged 45	27.3

A new 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 deficit recovery liability included in the financial statements for the year ended 31 July 2022 reflects this new deficit recovery plan. The liability figures have been produced using the following assumptions:

	2022	2021
Discount rate	3.33%	0.89%
Pensionable salary growth	3.71%	3.00%

See Staff costs note 7 in respect of significant one-off pension costs/gains.

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. A full actuarial valuation was carried out as at 1 April 2019.

The major assumptions used at 31 July are shown below:

	2022	2021	2020
Discount rate	3.50%	1.65%	1.40%
Retail price inflation	3.50%	3.50%	3.10%
Rate of increase in salaries	FY 2023 - 6.68% Thereafter 2.68%	2.68%	2.65%
Rate of increase to pensions in payment and in deferment	3.10%	3.20%	2.30%
Single equivalent consumer price inflation for period	3.10%	3.20%	2.30%

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

	Male		Female	
	2022	2021	2022	2021
Member age 65 (current life expectancy)	22.1	21.6	24.8	24.4
Member age 45 (life expectancy at age 65)	22.9	22.4	25.7	25.4

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

29 Pension schemes (continued)

	Value at 31 July 2022 £m	Value at 31 July 2021 £m	Value at 31 July 2020 £m
The assets in the scheme were:			
Short-term fixed income	6.1	-	-
Corporate bonds	33.9	-	40.1
Government bonds	-	-	139.7
LDI	100.2	218.9	-
Diversified growth fund	47.7	112.3	142.8
Long lease property	88.9	38.0	37.0
Diversified credit	85.8	103.8	99.8
Direct lending	48.8	32.2	32.1
Cash/net current assets	4.2	14.5	13.2
Total	415.6	519.7	504.7

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	415.6	519.7	504.7
Present value of liabilities	(428.6)	(574.3)	(535.6)
Net pension liability under FRS 102	(13.0)	(54.6)	(30.9)

The University has contributed 22.5% of pensionable salaries over the period to 31 July 2022. The University has entered into a recovery plan for the pension scheme from 1 July 2020 to 1 April 2034. The University expects to make deficit reduction contributions of £4.0m per year increasing by 2.5% per annum from 31 March 2023 to 31 March 2034. The recovery plan will be revisited every three years.

	2022 £m	2021 £m
Amount charged to operating surplus:		
Staff costs:		
Current service cost	(10.8)	(11.2)
Administration costs	(1.4)	(1.4)
Total operating charge	(12.2)	(12.6)
Interest and other finance costs:		
Expected return on scheme assets	8.5	7.0
Interest on scheme liabilities	(9.5)	(7.4)
Total net return	(1.0)	(0.4)
Total UGPS pension cost recognised in the income and expenditure account	(13.2)	(13.0)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

29 Pension schemes (continued)

	2022	2021
	£m	£m
Other Comprehensive Income (OCI):		
Actual return on assets exc. amounts included in net interest	(102.0)	16.1
Actuarial gain/(loss) on scheme obligations	149.8	(34.5)
Actuarial gain/(loss) recognised in the OCI for UGPS	47.8	(18.4)

The cumulative gain recognised in the Other Comprehensive Income to date is £33.3m (2021: cumulative loss of £14.5m).

Movements in present value of scheme assets during the year:

Assets at beginning of the year	519.7	504.7
Movement in year:		
Interest income	8.5	7.0
Actual return on assets exc. amounts included in net interest	(102.0)	16.1
Contributions by the employer	7.0	7.7
Benefits paid	(16.2)	(14.4)
Administration costs	(1.4)	(1.4)
Assets at the end of the year	415.6	519.7

Movements in present value of scheme liabilities during the year:

Liabilities at beginning of the year	574.3	535.6
Movement in year:		
Current service cost	10.8	11.2
Interest cost	9.5	7.4
Actuarial (gain)/loss	(149.8)	34.5
Benefits paid	(16.2)	(14.4)
Liabilities at the end of the year	428.6	574.3

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

	2022	2021	2020	2019	2018
	£m	£m	£m	£m	£m
Fair value of scheme assets	415.6	519.7	504.7	474.6	425.9
Present value of scheme liabilities	(428.6)	(574.3)	(535.6)	(481.6)	(460.5)
Deficit in the scheme	(13.0)	(54.6)	(30.9)	(7.0)	(34.6)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

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 31 March 2020 valuation results, rolled forward onto the following assumptions used as at 31 July 2022:

	2022	2021	2020
Discount rate	3.50%	1.65%	1.40%
Retail price inflation	3.50%	3.50%	3.10%
Rate of increase in salaries	FY 2023 - 6.68% Thereafter 2.68%	2.68%	2.65%
Rate of increase to pensions in payment and in deferment	3.10%	3.10%	2.30%
Single equivalent consumer price inflation for period	3.10%	3.10%	2.30%

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

	Male		Female	
	2022	2021	2022	2021
Member age 65 (current life expectancy)	20.5	20.0	23.1	22.7
Member age 45 (life expectancy at age 65)	21.9	21.4	25.2	24.8

	Value at 31 July 2022	Value at 31 July 2021	Value at 31 July 2020
	£m	£m	£m
The assets in the scheme were:			
Equities	16.9	17.1	13.2
Bonds	2.4	2.4	2.6
Property	2.4	2.1	2.0
Cash	0.5	0.5	0.4
Total	22.2	22.1	18.2

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

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	22.2	22.1	18.2
Present value of liabilities	(13.8)	(18.3)	(19.1)
Surplus/(deficit) in the scheme	8.4	3.8	(0.9)
Restriction applied to surplus recognition	(8.4)	(3.8)	-
Net pension liability under FRS 102	-	-	(0.9)

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 2022 (2021: £0.3m).

	2022	2021
	£m	£m
Amount charged to operating surplus:		
Staff costs:		
Current service cost	(0.2)	(0.2)
Past service cost	-	-
Total operating charge	(0.2)	(0.2)
Interest and other finance costs:		
Expected return on scheme assets	0.4	0.3
Interest on scheme liabilities	(0.3)	(0.3)
Total net return	0.1	-
Total SPF pension cost recognised in the income and expenditure account	(0.1)	(0.2)
Other Comprehensive Income (OCI):		
Actual return on assets exc. amounts included in net interest	0.3	4.1
Actuarial gain/(loss) on scheme obligations	4.3	0.5
	4.6	4.6
Restriction applied to recognition of actuarial gain on scheme obligations	(4.6)	(3.8)
Actuarial gain/(loss) recognised in the OCI for UGPS	-	0.8

The cumulative loss recognised in the Other Comprehensive Income to date is £0.7m (2021: £0.7m).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

29 Pension schemes (continued)

	2022	2021
	£m	£m
Movements in present value of scheme assets during the year:		
Assets at beginning of the year	22.1	18.2
Movement in year:		
Interest income	0.4	0.3
Actual return on assets exc. amounts included in net interest	0.3	4.1
Contributions by the employer	0.1	0.3
Contributions by the scheme participants	-	-
Benefits paid	(0.7)	(0.8)
Assets at the end of the year	22.2	22.1

Movements in present value of scheme liabilities during the year:

Liabilities at beginning of the year	18.3	19.1
Movement in year:		
Current service cost	0.2	0.2
Past service cost	-	-
Interest cost	0.3	0.3
Actuarial gain	(4.3)	(0.5)
Contributions by the scheme participants	-	-
Benefits paid	(0.7)	(0.8)
Liabilities at the end of the year	13.8	18.3

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

	2022	2021	2020	2019	2018
	£m	£m	£m	£m	£m
Fair value of scheme assets	22.2	22.1	18.2	18.3	17.2
Present value of scheme liabilities	(13.8)	(18.3)	(19.1)	(18.2)	(16.8)
Surplus / (deficit) in the scheme	8.4	3.8	(0.9)	0.1	0.4

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 Autoenrol 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 £3.5m (2021: £3.0m). This includes £0.2m (2021: £0.3m) of outstanding contributions at the year end. Employees' regular contributions were £1.5m (2021: £1.3m).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

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.

Contribution rates to the Scheme for employees are tiered, in a range of 7.2% to 11.9% of pensionable salary and for employers are 22.4%.

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 latest actuarial assessment was carried out as at 31 March 2016. 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 total pension cost for the University was £83k (2021: £85k). This includes £6k (2021: £7k) of outstanding contributions at the year end. Employees' regular and additional voluntary contributions were £41k (2021: £41k) and £5k (2021: £7k) respectively.

f) NHSS

The NHS Superannuation Scheme (Scotland) (NHSS), 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).

Contribution rates to the Scheme for employees are tiered, in a range of 5.2% to 14.7% of pensionable salary and for employers are 20.9%.

Under the definitions set out in FRS 102 the NHSS 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

29 Pension schemes (continued)

An actuarial assessment was carried out at 31 March 2016. 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 total pension cost for the University was £1.7m (2021: £1.6m). This includes £0.1m (2021: £0.1m) of outstanding contributions at the year end. Employees' regular contributions were £0.9m (2021: £0.9m) and £17k (2021: £18k) 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. Contribution rates to the Scheme for employees are 6.5% and for employers are 16.9% (15.9% before 1 April 2021).

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 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. 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. Triennial valuations are conducted under the Pensions Act 2004 on a scheme specific funding basis.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

29 Pension schemes (continued)

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

The total pension cost for the University was £0.2m (2021: £0.3m). This includes £19k (2021: £20k) of outstanding contributions at the year end. Employees' regular contributions were £0.1m (2021: £0.1m) and £3k (2021: £4k) in respect of additional voluntary contributions.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

30 Financial instruments

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

	Note	Consolidated		University	
		2022 £m	2021 £m	2022 £m	2021 £m
Financial assets					
Measured at fair value through Statement of Comprehensive Income:					
Treasury stock	13	1.5	1.5	1.5	1.5
Listed investments	13	0.2	1.2	-	-
Endowment assets	13	225.8	225.2	225.8	225.2
Measured at cost less impairment:					
Unlisted investments	13	2.4	2.0	21.1	21.0
Measured at amortised cost:					
Research grants and contracts	15	57.0	56.1	57.0	56.1
Salaries recoverable externally	15	3.6	2.8	3.6	2.8
Courses, consultancies and contracts	15	12.0	5.4	12.0	5.4
Amounts due by subsidiaries	15	-	-	1.8	1.4
		302.5	294.2	322.8	313.4
Financial liabilities					
Measured at amortised cost:					
Private placement bonds	17	245.0	245.0	245.0	245.0
Unsecured loan	16,17	7.8	8.8	7.8	8.8
Research grants and contracts	16	32.9	27.3	32.9	27.3
Courses, consultancies and contracts	16	6.5	1.3	6.5	1.3
Sundry creditors	16	45.6	39.1	45.0	38.8
Amounts due to subsidiaries	16	-	-	0.9	0.3
		337.8	321.5	338.1	321.5



University
of Glasgow

