



University for the Common Good



# Annual Financial Statements

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Year ended 31 July 2023







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## University's Professional Advisors

### Banker

Bank of Scotland plc  
167-201 Argyle Street, Glasgow G2 8BU

### External Auditor

KPMG LLP  
Chartered Accountants and Registered Auditor  
319 St Vincent Street, Glasgow G2 5AS

### Tax Advisors

PwC  
Chartered Accountants  
141 Bothwell Street, Glasgow G2 7EQ

### Internal Auditor

Ernst & Young LLP  
Chartered Accountants  
G1 Building, 5 George Square, Glasgow G2 1DY

### Solicitors

Anderson Strathern LLP  
George House, 50 George Square, Glasgow G2 1EH

### Registered Charity Number:

SC021474

## Introduction from the Principal and Vice-Chancellor



Glasgow Caledonian had a very strong performance in academic year 2022/23, both in terms of our education and research metrics as well as our financial outturn. We have seen outstanding outcomes in all of the UK league tables, consolidating our position as the top performing modern university in Scotland and a leading UK modern university.

As a civic university, we are dedicated to driving positive societal change through our education and research, and through our engagement with partners and communities in Glasgow, within our region and Scotland. Glasgow is a vibrant student city and has a successful ecosystem of universities and colleges working in partnership, which is a national success story. In that ecosystem, we play a vital role in addressing skills and workforce needs across the breadth of our provision and make a key contribution to economic growth.

In 2022/23, we had a thriving student community and remained highly attractive to international students at both our Glasgow and London campuses. This has supported the diversity of our student population as well as contributing to income growth to ensure strategic investment in staff, digital infrastructure and teaching facilities to deliver an excellent student experience and a holistic approach to student support. Looking forward, we aim to increase our Scottish student intake and achieve sustainable growth in international student recruitment in the context of the changing policy landscape.

We are committed to widening access to higher education through our inclusive approach to admissions and strong partnerships with colleges. We place a strong emphasis on ensuring that our graduates are equipped with the skills to gain highly-skilled employment. We are the leading university in Scotland for Graduate Apprenticeships and we have continued to grow the number of students and employers we work with, supporting employers and creating opportunities and vital jobs for students from diverse backgrounds.

Building on excellent REF 2021 outcomes, we are sharpening our focus on the quality of our research and knowledge exchange partnerships to support increased research grant income and enhance our impactful research. Our research is often co-created with partners in the NHS, businesses, charities, governments, and the public sector, ensuring the relevance and the impact of what we do.

We are proud of the commitment of our academic and professional staff to our mission For the Common Good. We continue to embed an inclusive university culture that promotes equality and celebrates diversity.

The continued focus and dedication of our staff and student community to delivering transformative education, impactful research and civic engagement confirms Glasgow Caledonian as a leading modern university with a strong financial position going forward.

A handwritten signature in black ink that reads "Stephen Decent". The signature is written in a cursive, flowing style.

**Professor Stephen Decent**  
Principal and Vice-Chancellor



# Highlights of 2023

## Income (£'000)

<b>2023</b>	<b>179,350</b>
2022	152,233
2021	134,582

# 91%

91% of Glasgow Caledonian graduates are in employment and/or further study, which is ahead of the current Scottish average. (HESA 2023)

## Underlying operating surplus (£'000)

<b>2023</b>	<b>14,461</b>
2022	12,592
2021	7,543

# 92%

92% of Glasgow Caledonian first-time Scottish first degree entrants return to study in year 2. (SFC 2023)

## Cash at bank (£'000) as at 31 July 2023

<b>2023</b>	<b>74,293</b>
2022	70,043
2021	45,550

## Cashflow from operating activities (£'000)

<b>2023</b>	<b>3,440</b>
2022	26,365
2021	22,775

# 22%

22% of Glasgow Caledonian full-time Scottish first degree entrants are from SIMD 20 areas, ahead of the sector average of 16.5%. (SFC 2023)

## Student numbers (headcount) as at 31 July 2023

<b>2023</b>	<b>21,555</b>
Represented by:	
• Undergraduates	14,165
• Taught Postgraduate	6,990
• Research Postgraduate	400
2022	20,050
2021	19,045

# £1.7 billion

Glasgow Caledonian generates strong economic and social benefits worth £1.7 billion to the global economy while supporting 14,360 jobs.

**Top**  
**40**  
**UK**

**Guardian University  
Guide, 2024**

**Top**  
**50**

**The Times and Sunday Times  
Good University Guide, 2024**

**No.2**

**UK modern  
university**

**The Mail University Guide 2024**

# Strategic Report

## University performance in 2022/23

The University had an outstanding set of results in the 2021 Research Excellence Framework (REF) outcomes published in May 2022. The proportion of the University's research that is considered to be world-leading or internationally excellent is 72%, a figure unsurpassed by any other Scottish modern university. The University's global reputation for health research with real world impact was demonstrated with the achievement of 91% of health and nursing research formally classified as world leading or internationally excellent.

72% of our research is considered to be world leading or internationally excellent

Indeed further evidence of our excellence in research was highlighted by our Blood Borne Virus Prevention team winning the prestigious Research Project of the Year Award at the 2023 Herald Higher Education Awards for their research programme at the forefront of global efforts to reduce the impact of HIV and other blood borne viruses on population health. The University continued to focus on leveraging strategic research collaborations, strengthening its research culture, and attracting high-calibre researchers. In 2022/23, research income increased by 12% to £6.5m (£5.8m 2021/22).

Glasgow Caledonian is Scotland's leading provider of Graduate Apprenticeships, delivering nine apprenticeship frameworks. Working from a baseline of over 300 employers in Scotland, we have collaborated with technical, human capital and strategic leaders to build a dynamic view of forecast demand for participation in apprenticeships.

Glasgow Caledonian's graduate outcomes are ahead of the Scottish sector with 91% of graduates in employment and/or further study and a total of 83% of Glasgow Caledonian graduates who are in employment are in highly skilled occupations. (HESA 2023)

Figures from the UK Department for Education's (DfE) Longitudinal Education Outcomes (LEO) show that, one year after graduation, Glasgow Caledonian's UK-based graduates' median earnings are the joint highest of all Scottish universities at £25,900. Among the Scottish

modern universities, Glasgow Caledonian's graduates were consistently among the highest paid after three and five years, ranked second in Scotland among this group of universities. The University is joint 12th in the UK for graduates' median earnings one year after graduation (£25,900). The study also shows that Glasgow Caledonian is in the top 15 higher education institutions (HEIs) in the UK for sustained employment, further study or both, one and five years after graduating. (LEO 2023)

A total of 83% of Glasgow Caledonian graduates who are in employment are in highly skilled occupations

Our strong performance in these key metrics alongside our excellent REF 2021 results have contributed to Glasgow Caledonian University being the top Scottish modern University in the prestigious UK league tables, being ranked 40th in the Guardian University Guide 2024, 44th in the new Mail League Table, and 50th in the Times/ Sunday Times Good University Guide. This follows a trend of year-on-year improvements in the tables, consolidating Glasgow Caledonian as a leading modern university in the UK. Four of the University's subjects are first in the UK in the Sunday Times Good University Guide and Glasgow Caledonian is in the top 20% in eight of the Guardian University Guide subject groupings.

The University has seen some very strong outcomes in key areas of the 2023 NSS. Our high ratings for our learning resources (89%), course teaching (85%), and academic support (84%) are in line with or surpass the average benchmarks within the Scottish sector. In total, 21 courses achieved scores of 90% or higher for the course teaching category.

Following extended consultation with students and staff, a new Student Partnership Agreement was developed in 2022/23 for implementation from September 2023. Effective representation underpins our approach to student participation and partnership, and our jointly devised University and Students' Association Guide to Student Representation is updated annually. Students are involved at all levels of decision making and are represented across our corporate and academic governance structures.



The University has a long-standing commitment to widening access with quality. Glasgow Caledonian currently exceeds the Commission on Widening Access 2030 target, as 22% of our Scottish full-time first degree entrants are from Scotland’s most deprived areas (SIMD20). The University’s track record in attracting widening access students is matched by excellent retention rates for students from SIMD20 backgrounds, with our performance above the sector average.

We established the GCU Connect programme providing senior phase pupils opportunities to engage with University students, sharing advice and guidance, and supporting pupils through the UCAS application process. GCU Connect increased engagement to 23 secondary schools in Greater Glasgow in 2022/23.



In December 2022, the University became Scotland's first - and one of just five institutions in the UK - to be awarded charity Student Minds' Mental Health Charter Award. The award recognises and benchmarks best practice in supporting mental health across the country's HE institutions.

Glasgow Caledonian is recognised for its commitment to gender equality, holding the prestigious Advance HE's Athena SWAN Institutional Silver Award, one of only three Scottish institutions to hold this accolade.



Glasgow Caledonian has declared a Climate Emergency and is signed up to Race to Zero, a global campaign for leadership and action in the education sector.

The GCU Foundation and Alumni Team continued to deliver MINT (Mentoring, Internships, Networking and Talks), an innovative programme to provide help and support to final year students and new graduates. There has been exceptional engagement, with 2,000 graduates having volunteered so far as mentors, and over 1,000 students have completed or are underway with the programme.

Glasgow Caledonian University has been shortlisted for a prestigious Green Gown Award for Benefitting Society based on the unique opportunities that our Magnusson Awards and Common Good Awards open to our students annually to drive powerful and multi-layered social impact.

The University has been hugely successful in attracting students to join our Glasgow and London campuses. In 2022/23, the number of new international students at GCU's UK campuses grew by almost 100%, aided by flourishing international recruitment at GCU London. GCU has been at the forefront of transnational education (TNE) for many years and continues to apply a partnership approach to TNE development based on our University values. The number of taught postgraduate students at GCU has grown by 30% in 2022/23, and our postgraduate research student numbers showed a slight reduction in 2022/23. Overall, postgraduate students represent 26% of GCU's student population in the UK.

International Students	2022/23	2021/22
Glasgow	3,661	1,875
London	1,852	1,030
<b>Total</b>	<b>5,513</b>	<b>2,905</b>

**Risk and risk management**

High-quality risk management is a positive process which supports and enhances business management. During 2022/23 the University continued to manage risk using well-established risk management procedures and structures governed by the Risk Management Policy and Risk Appetite and Tolerance statements. Governance of risk is overseen by the Risk Management Forum, comprised of senior management from across the University to ensure that risks are identified and managed effectively.

As detailed in the Corporate Governance Statement, the University maintains a comprehensive corporate risk register with risk analysis and local risk registers embedded in its Schools, Professional Support Departments and research and commercial projects. The University also maintains a Risk Events Log to record incidents where a risk has materialised within the institution, and to ensure any relevant lessons are learned and communicated.

# Strategic Report

The main risks facing the University are:

**Cyber Security:** The continued levels of cyber crime experienced by the UK Higher Education Sector, during the financial year highlights the material impact that cyber crime can have, impacting the sector operationally, financially and reputationally. Significant time and resources are allocated to mitigate, as far as possible, the risk of future cyber incidents.

**Financial sustainability:** The University has experienced a period of significant growth in the recruitment of international students which has contributed to strengthening the financial position. At the same time the current inflationary environment and the impact on utilities, pay and other costs, combined with the need to ensure sufficient resources are in place to provide an excellent experience for students, creates risk around managing the long-term financial sustainability. In addition, the market volatility, and employee/employer affordability relating to pension schemes, which the University participates in, remain a concern.

**Government policy and political landscape:** This is a significant risk as funding from government, through the Scottish Funding Council, is the University's main source of income. The risk for the University centres on capacity to absorb recurrent real-time reductions in funding via the unit of resource for teaching, particularly given the current impact that cost inflation could have on available public sector funding.

**Environmental Sustainability:** This is the risk that the University faces in transitioning to a net zero model while balancing the financial constraints and immediate requirements to provide a modern campus and infrastructure that provides an excellent experience for all students.

## Estates and IT

During the reporting period, Estates and Facilities Management have taken forward a range of estates investment projects, aimed at ensuring the University fulfils its mission as the University for the Common Good.

Our ongoing commitment to classroom transformation and investment in infrastructure projects more generally consumed total expenditure of approximately £350,000.

Notably, significant progress was made in the next phase of refreshing the Annie Lennox building, which involved the provision of active teaching and learning spaces.

Through collaborative efforts with stakeholders, these spaces have been designed to align with our Teaching Principles, offering optimal space utilisation and an enhanced student experience.

In line with our ongoing commitment to the improvement of residential facilities, a capital investment of £600,000 has been allocated for the refurbishment of three residential blocks in Caledonian Court student accommodation.

Additionally, several other capital projects, including upgrades to the ARC leisure facility, mechanical and electrical services improvements, and ongoing conversion of redundant spaces into new Learning & Teaching facilities.

The Directorate of Estates and Facilities Management remains actively engaged with stakeholders and the broader Glasgow Community, collaborating on city-wide regeneration initiatives and exploring options for providing more student accommodation at affordable rent levels.

We remain committed to fostering a positive environment for our students and the community at large.

The Student Information Management System programme solution reached completion of all major milestones in August 2022. This included a rollout of a new student portal giving students full transparency and access to relevant information such as fee's, results and programme information, allowing students access to make payments and set up payment plans if required.

Go Digital programme phases two and three are both nearing completion. All teaching spaces have benefited from the roll out of collaboration technology and Microsoft Surface technology to enable group study, as well as complete replacement of all student computers across schools and library. The new upgraded high specification machines can be located campus wide including libraries and computing labs.

Student will benefit from a larger range of premium IT applications on campus to enhance learning experience including over 20 applications from Adobe; allowing students and staff to create and consume more digital content.

Collaboration and teaching experience have been further enhanced with Zoom and Teams access being rolled out across all Glasgow Caledonian machines.

Due to popular demand GCU IT has launched the GCU Student App which is designed to support students throughout their life at Glasgow Caledonian. The App is a one-stop-shop for surfacing important information and materials requested by our students. The focus of the app has been in simplifying access to Glasgow Caledonian services and materials so that students have a better experience, but also to reduce the change impact of the future rollout of student attendance platforms and identity management platforms which are part of the roadmap for

FY 2023/24. The App is available on the Apple and Google Play stores and has received praise from the student community with very positive adoption.

A replacement of the current student attendance monitoring system is currently underway. The project is being rolled out with a go live date for Tri B 2023/24. A smaller pilot has been developed in our London Campus to go live December 2023. This system will provide an improved service for students in regards to recording of their attendance and monitoring processes.

The cyber resilience efforts for the university have continued at pace with significant investment and delivery of protections against denial of service based attacks as well as monitoring solutions which review known threats and patch deficiencies across our network estate. More work is planned for 2023/24, however enabling steps this year have resulted in improved defences against cyber threat and incident response capabilities including the transition to Cloud email for all staff and students. In addition, aged equipment has been removed across the network reducing access and improving our cyber security capabilities.

### Sustainability

GCU's sustainability initiatives are guided by commitments in Strategy 2030 to become carbon neutral by 2040 and contribute to the Sustainable Development Goals (SDG).

From an operational perspective, the present reporting period saw a return to pre-pandemic operation conditions. As a result, the University's greenhouse gas emissions inventory (carbon footprint) for 2022/23 was 30,775 tonnes CO<sub>2</sub>e, representing a rebound (nearly doubling) of emissions reported at the height of the pandemic. On a longer-horizon, reported emissions were 10% lower than in 2018/19 (the last full pre-pandemic inventory) and 22% lower than the 2014/15 baseline.

During the current reporting period, the University commissioned a global engineering specialist to help to identify and cost opportunities to decarbonise the Estate and update the University's carbon neutrality transition plan.

The University also published a Biodiversity Plan and a Water Efficiency Plan. The former will drive a review of grounds-maintenance practices to foster more biodiversity on the University's Estate. The latter seeks to improve water efficiency across the Estate.

In recognition of the support it provides to encourage more journeys by bicycle, the University was also successfully re-accredited as a Cycle Friendly Campus by Cycling Scotland.

A recruitment exercise was also completed to grow capacity in the University's sustainability function and the

University successfully hosted a Campus Cycling Officer through Cycling Scotland's placement programme.

The above work was delivered under the auspices of the University's environmental management system which continues to be certified EcoCampus Platinum/ISO 14001 after another successful independent audit.



### Equality, diversity and inclusion

As the University for the Common Good, equality, diversity and inclusion are at the heart of everything we do. Equality is embedded through our strategy, leadership and GCU Values and we continued to take a whole institution approach to promoting equality, diversity and inclusion in the student and the staff experience, as well as our learning, teaching and research activities.

We continued to implement our Equality Outcomes 2021-2025, which are focused on the key themes of: ensuring that our people have the right knowledge and skills to support an inclusive learning and working environment; our University is physically and virtually accessible to disabled people; Black, Asian and Minority Ethnic students and staff are confident that the University is taking action to prevent and tackle racism and racial inequalities; students and staff experience a supportive culture of positive mental health; our University promotes gender equality in its widest sense, including trans equality, by addressing barriers for students and staff. Progress on implementing the Equality Outcomes, together with the University's approach to mainstreaming equality into our core business, was reported in our Public Sector Equality Duty report, published in April 2023.

The outcomes are aligned with our Strategy 2030 and mission as the University for the Common Good, and they also ensure compliance with the Equality Act 2010.

The outcomes also support our Dignity at Work and Study Policy, which outlines the rights and responsibilities associated with these commitments, as well as our zero tolerance approach to any form of unlawful discrimination, including harassment, victimisation, racism, sexism, homophobia or any other unacceptable behaviour towards any member of our community.

# Strategic Report

Key actions that support us in meeting these commitments include our work on the Race Equality Charter, which has involved student and staff engagement through surveys and creation of sub-groups to identify priorities and inform our action plan. Further engagement work will feed into our application for the Bronze award in March 2024.

An enhancement-led set of resources and staff development programme have been developed to support the University's commitment to equality, diversity and inclusion and the UN's Sustainable Development Goals (SDGs) within the context of Strategy for Learning 2030 and the drive to enhance student outcomes and graduates' employability.

Led by Academic Development and Student Learning, this suite of resources includes guidance for staff on creating inclusive modules through an 'Education for Sustainable Development' (ESD) Curriculum Pack, and an 'Equality, Diversity and Inclusion (EDI) in the curriculum Toolkit', including a glossary of terms, and supported by staff development workshops for academic departments.

An EDI Campaigns Group has been formed to advise the University on the themes that should be prioritised so that there is equity of coverage across different equality, diversity and inclusion strands (for example, neurodiversity and trans awareness). Campaigns and communications aim to raise awareness, increase knowledge and understanding, and challenge discrimination and stereotypes in order to support an inclusive learning and working environment.

The University continues to implement its Athena Swan institutional Silver Award action plan as part of the commitment to gender equality, and also continues to fulfil our Carer Positive 'Engaged' employer status by supporting staff with caring responsibilities. A new Staff Carers Policy, informed by the lived experiences of members of the Staff Carers Network, was developed, and supported by a Staff Carers intranet site, which is a dedicated space for staff carers to access information and support, internally and externally.

Our Schools also continue to fulfil their gender equality commitments - the School of Computing, Engineering and Built Environment holds the School Silver Athena Swan award, and the Glasgow School for Business and Society and the School of Health and Life Sciences both hold the School Bronze awards.

## Disability

The University continues to work towards inclusive and accessible recruitment processes as part of our Disability Confident 'Committed Employer' status. This includes making our job adverts and information accessible, anticipating and making reasonable adjustments, and supporting existing staff who acquire a disability to enable them to stay in work. We recognise that disability covers a broad spectrum of impairments - visible and hidden - and are committed to providing an inclusive working environment for disabled staff across all stages of the staff experience, including training, career development and progression, and support, work-life balance, and mental health and wellbeing.

Our commitment to accessibility in the widest sense is demonstrated through our work on Delivering Digital Accessibility, which aims to ensure accessibility of digital content and platforms. A Digital Accessibility Champion role has been created to champion the work of the Delivering Digital Accessibility team across the University. The role holders are part of a University-wide Accessibility Champions Network which provides peer support, and is a platform to identify barriers to or gaps in accessibility, discuss emerging developments and challenges, consider arising issues and share good practice.

Additionally, resources and guidance to help staff create accessible digital content have been launched as part of a new Learning and Teaching Hub on the staff intranet. The hub's Accessible and Inclusive Learning page contains guides to creating accessible online learning content.

## Fair Working Practices

The University has an equal pay statement, which is part of our commitments in fulfilling our Equality Act 2010 duties. The statement outlines our policy on equal pay and describes our commitment to working jointly with our trade unions, staff and stakeholders to continue to promote the principles of, and effectively implement, equal pay. We recognise that in order to achieve equal pay for staff doing equal work we should operate a pay system, which is transparent and based on objective criteria. The University is also a Living Wage Accredited Employer and were the first Scottish university to achieve this, in March 2014.



# Strategic Report

Glasgow Caledonian University is a vibrant, values-led university with a mission for the Common Good. The Key Performance Indicators measure the University's progress against Strategy 2030.

Strategic theme	Key Performance Indicator	2025 ambition	2030 ambition	RAG status
<b>World leading in social innovation</b>	Demonstrate our commitment to social innovation in support of the SDGs through the THE Impact Rankings	Year-on-year score improvement	Global top decile	
<b>Transformative education</b>	Consistently achieve a sector leading position for widening access as measured by SIMD20 intake and retention	20% 90%	20% 90%	 
	Enhance graduate level employment as measured by highly skilled classification HESA Graduate Outcomes	<b>Achieve Scottish average</b>	<b>Exceed Scottish average</b>	
<b>Impactful research</b>	Building on our strengths, improve performance in the Research Excellence Framework based on overall scores	<b>All subjects achieve minimum of 50% 3* 4* score</b>	<b>All subjects achieve minimum of 60% 3* 4* score</b>	
<b>Purposeful partnerships</b>	Grow the number of UK students joining GCU at taught postgraduate level	1,300	1,700	
<b>Globally connected</b>	Promote international mobility and grow the number of international students studying at Glasgow Caledonian in the UK	750	850	
<b>University community</b>	Develop and nurture our University Community, enhancing staff and student engagement as measured by the staff survey and the NSS student voice measures respectively	<b>Staff Engagement 75%</b> <b>Student Voice 78%</b>	<b>Staff Engagement 75%</b> <b>Student Voice 80%</b>	 
	Drive our environment sustainability agenda and achieve carbon neutrality by 2040	<b>Scope 1: -14%</b> <b>Scope 2: -80%</b> <b>Scope 3: -52%</b>	<b>Scope 1: -22%</b> <b>Scope 2: -98%</b> <b>Scope 3: -63%</b>	
	Ensure financial sustainability to facilitate investment in support of our 2030 ambitions	<b>3% underlying operating surplus</b>	<b>3% underlying operating surplus</b>	

# Financial Review

## Scope of the financial statements

The financial statements have been prepared on a consolidated basis and include the results of the University and its subsidiary companies as set out within Note 26.

## Results for the year

During 2022/23, the University has continued to perform well and remains in a strong financial position. Building on previous improvements in international recruitment, a further significant increase in 2022/23 has been the main driver of the underlying operating surplus of £14.5m at 31 July 2023, an improvement on the surplus of £12.6m from 2021/22. The underlying operating surplus is the measurement used throughout the year by management to define financial performance. This is reflective of the normal day-to-day activities, and excludes non-cash pension's charges, which have no influence on the operational activities of the University.

Consolidated	2022/23 £'000	2021/22 £'000
<b>Underlying operating surplus Income</b>	<b>14,461</b>	12,592
Deduct:		
Non-cash FRS 102 pension costs	<b>2,707</b>	14,608
Other Items (including gains/losses, taxation and JV)	<b>108</b>	1,748
GCONYC Onerous Liability	<b>11,285</b>	-
<b>Surplus/(Deficit) for the year</b>	<b>361</b>	(268)

The University is reporting a consolidated surplus for the year, before other comprehensive income, of £0.4m (2021/22: Deficit £0.3m). This position includes a combined non-cash charge of £2.7m (2021/22: £14.6m) in respect of the accounting for both the Strathclyde Pension Fund current service staff costs and net interest charge and for the USS pension deficit provision adjustments. Such non-cash charges are being experienced nationally.

## Glasgow Caledonian New York College

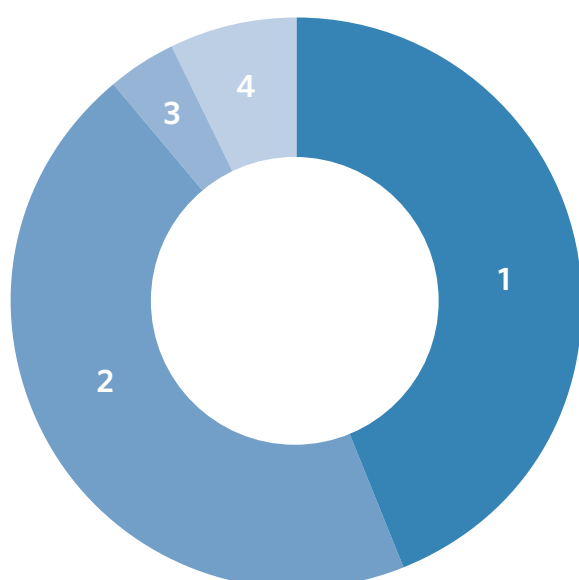
During the year the University took the decision to seek to exit the financial liabilities linked to Glasgow Caledonian New York College, preferably by identifying a suitable partner to ensure the future of the College. As a result of this decision, a number of potential future liabilities, primarily relating to a property lease have been identified to ensure the successful delivery of any remaining commitments to current GCNYC students. These potential future liabilities have given rise to a provision of £11.3m being recognised in 2022/23 (2021/22 £nil).

## Income

Total Income has increased in 2022/23 to £179.3m (2021/22: £152.2m). Total income comprises funding council grants, tuition fees and education contracts, research grants, other income, investment income and donations and endowments. The composition of income in 2022/23 is shown in the graph below:

## Income

Total income has increased by £27.1m to £179.3m (2021/22: £152.2m).



- 1** Funding body grants (44%)
- 2** Tuition fees and education contracts (45%)
- 3** Research grants and contracts (4%)
- 4** Other income (7%)

### Scottish Funding Council (SFC) grants

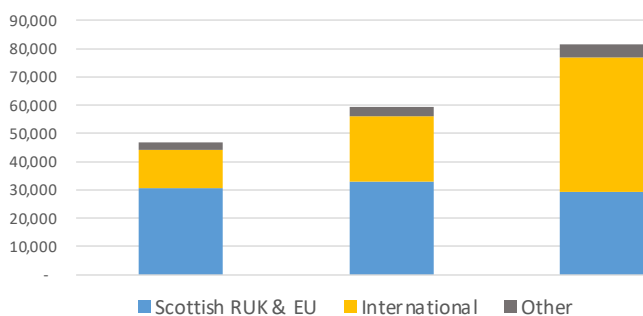
The University recognised £79.2m (2021/22: £76.3m) in grant funding from the SFC, reflecting the allocations announced in the SFC funding outcome agreements for universities. While the largest element of this funding is the recurrent main teaching grant, it also includes SFC research and innovation grants and capital maintenance grants.

Year on year increases include, grants related to teaching increasing by c£1.8m and capital funding recognised in year increasing by £1.3m.

### Tuition fees and education contracts

Tuition Fee income in 2022/23 has increased to £81.6m (2021/22 £59.4m). The main driver is the rapid growth in international recruitment during 2022/23, a c106% growth in international tuition fees compared to 2021/22. International fees increased to £47.7m (2021/22 £23.2m). £27.5m was generated by Scottish and EU students (2021/22 £31.2m) and a further £2.9m from educational contracts (2021/22 £1.7m).

### Tuition Fees 2023



### Research grants and contracts

There has been an 12% increase to £6.5m (2021/22 £5.8m) in research income during 2022/23, including the delivery of a number of significant research projects related to the Covid-19 pandemic.

### Other income

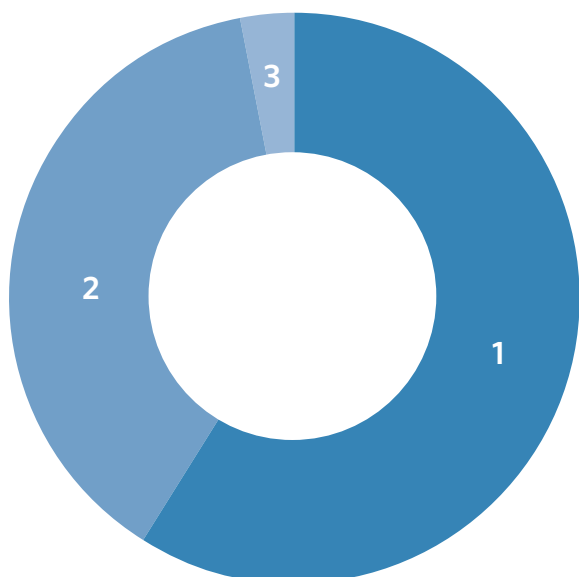
The University generated £9.4m (2021/22: £9.9m) in other income. Strong performance across residences and catering have largely off-set an expected reduction in other income linked to a one off project in the previous year.

### Expenditure

Total expenditure has increased by £24.6m to £178.9m (2021/22: £154.3m). Expenditure comprises staff, other operating costs, the depreciation of fixed assets and interest and finance costs. The composition of expenditure in 2022/23 is:

### Expenditure

Total expenditure has increased by £24.6m to £178.9m (2021/22: £154.3m)



- 1 Staff costs (59%)
- 2 Other operating expenses (38%)
- 3 Depreciation (3%)

# Financial Review

## Staff investment

Our people are our most important assets and our biggest area of investment, represented by:

Staff	2023 £'000	2022 £'000
Staff costs	105,107	106,416
Less FRS 102 Pension Costs	2,774	10,746
Less USS Movement	910	3,513
Underlying Staff costs	101,423	92,157

Pension costs of £14.1m (2021/22: £13.2m) for the year are represented by:

Underlying Pension Costs	2023 £'000	2022 £'000
Pension Costs	17,918	27,434
<b>Less FRS102 Effects</b>		
LGPS	2,774	10,746
USS Movement	910	3,513
Underlying Pension Costs	14,234	13,175

## Other operating costs

Other operating costs have increased by £28.2m to £68.6m (2021/22: £40.4m).

Notable cost increases have been attributable to delivering to and supporting the increased number of international students. International agent fees, have therefore increased to £18.6m (2021/22 £13.3m) and bad debt general provision has increased by £4.5m (2021/22 £1.5m).

Increased campus activity and price increases has also driven utility costs which increased to £3.9m (2021/22 £2.7m).

Due to the current market rates we have also encountered a loss on foreign exchange of £1.3m (2021/22 gain £2.8m).

As a result of the University's decision to review its relationship with Glasgow Caledonian New York College, there is an accounting requirement to provide for potential future liabilities related to the College. Therefore, a provision of £11.3m has been recognised in 2022/23.

## Payment of Creditors

It is the University's policy to obtain the best terms of business from creditors, and thus there is no single policy as to the terms used. In agreements negotiated with suppliers, the University endeavours to include and abide by specific payment terms. As at 31 July 2023 the University's outstanding payments represented

approximately 40 days purchases. The amount of interest paid in the year under the Late Payment of Commercial Debts (Interest) Act 1998 was nil.

## Procurement

The University is committed to obtaining value for money in all of its transactions, and in conducting its daily business, staff must always consider the institution's wider responsibilities in terms of legal, moral, social, economic and environmental impact.

Procurement promotes the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities and innovative solutions. We work with the supply chains to ensure continued value, managed performance and minimal risk throughout the life of contracts for the benefit of stakeholders and students.

The University has a 'No Purchase Order No Payment' (NPNP) policy in order to support timely invoice payments. Transactions adhering to the NPNP process is currently 98%; this is a 12% increase in the use of the purchasing system since the policy was implemented.

During the academic year, Glasgow Caledonian University awarded 49 new contracts, with 19 suppliers, who have committed to paying the Real Living Wage. The University has also maintained relationships with 2 supported businesses and 51 Social enterprises, spending approximately £294k.

Procurement led initiatives, using competitive tendering, resulted in value for money savings of approximately £0.3m. Process savings of approximately £0.1m were achieved through the use of collaborative public sector framework agreements, electronic tendering and electronic procurement processes.

In the Glasgow Caledonian University 2030 Strategy, the University has set its target for achieving net zero carbon emissions by 2040. As the Scope 3 emissions from the University's supply chain are a major contributor to the carbon emissions of Glasgow Caledonian University, the Procurement Team has commenced looking at ways in which it can work closely with high-emitting greenhouse gas (GHG) suppliers to help them reduce their own carbon footprints.

The objectives of the Supply Chain Climate Action Plan includes: Focus on Scope 3 emissions reduction, identification of potential reduction opportunities in existing high emitting GHG suppliers, setting supplier actions and commitments based within potential improvement areas and track and ensure progress is being made against commitments.



Procurement are also working on completing 'From Now To 2030' (FNT2030) climate impact plans for 6 commodities - Energy, Food, Furniture, IS, Labs and Travel. The FNT2030 plans will assist with the planning and implementation of actions on dealing with the Climate and Ecological Emergency.

### Balance Sheet

Total net assets have increased by £51.3m to £274.3m as at 31 July 2023 (2021/22: £223.0m).

An increased movement in pension asset to £82.0m (2021/22 £32.8m) has been recognised in 2022/23. This is driven by the fact that, the discount rate assumption has increased by 1.55% compared with prior year. This has served to reduce the Employer's obligations.

Debtor position as at 31 July 2023 has increased to £31.1m (2021/22 £17.2m) this has been driven by the increased numbers of international students.

### Treasury

The University had strong and increased cash reserves at year end totalling £74.3m (2021/22 £70.0m). This was split over short term investments of £62.1m (2021/22: £50.1m) and liquid cash available of £12.2m (2021/22: £20.0m).

All treasury decisions are taken within the framework of the University's Treasury Management and Ethical Investment Policy. The underlying principle is that the University operates a low-risk approach in managing its investments and liquidity. All funds are placed with institutions agreed by Finance and General Purposes Committee and monitored against minimum credit rating criteria.

### Borrowing

The remaining balance on an unsecured bank loan of £10.0m (2022: £10.0m) from the Lloyds Banking Group backed by the European Investment Bank was repaid in November 2022.

The University, during 2022/23 entered into a loan agreement with the Scottish Funding Council for an amount of £2.0m (2022: £nil). This was following a successful application to the University Financial Transactions Programme and has been provided to support the implementation of a new Building Management System which will support the University's Net Zero ambitions.

### Asset Impairment

The University controls 100% of Glasgow Caledonian New York College (GCNYC). This non-stock corporation was incorporated in June 2017 after the Board of Regents of NYSED granted a Provisional Charter allowing it to operate as a college in the State of New York. The organisation has the authority to offer programs that will lead to the Master of Science (M.S.) degree qualification. The University entered into a loan agreement to lend a maximum aggregate of \$30.7m to GCNYC, at an interest rate for each advance being the lesser of 2.5% or the highest rate permitted by applicable law. At 31 July 2023 \$28.1m (£21.9m) (2022: \$28.1m (£23.1m)) of this loan had been drawn down. During 2022/23, the University took the decision to fully impair the loan value based on the Court's decision to pause recruitment and to seek a partner to exit the University's commitments to the College. The University will continue to meet the liabilities of the College throughout this process and will ensure that all commitments made to GCNYC students are met. No adjustment has been made in GCNYC as the loan remains payable by GCNYC to GCU. During 2022/23 the University made a grant award to GCNYC of c\$4.6m (c£3.9m).

### Capital investments

The Infrastructure Group meets regularly to review, agree and prioritise the medium-term, rolling Infrastructure Plans for Information Services, Estates, Schools and other appropriate Professional Support Departments. This ensures longer planning horizons are set, with the affordability of the programme being considered against the overall financial position of the University.

During 2022/23 final milestone releases of the Student Information Systems Project (SIMS) was successfully delivered and fully implemented. This resulted in £1.3m asset under construction being capitalised to equipment as at 31 July 2023.

During the year the University delivered a £7.5m programme of infrastructure improvements including significant investment in the Caledonian Court Residences, a project to upgrade all teaching spaces to make them capable of delivering hi flex teaching, continuing the wider programme to upgrade teaching spaces across Campus. Significant investment in digital infrastructure was made in 2022/23 including improving our cyber security stance, enhancing student IT facilities across the Glasgow and London campuses and further investment in IT infrastructure projects which underpin University activities and improve efficiency.

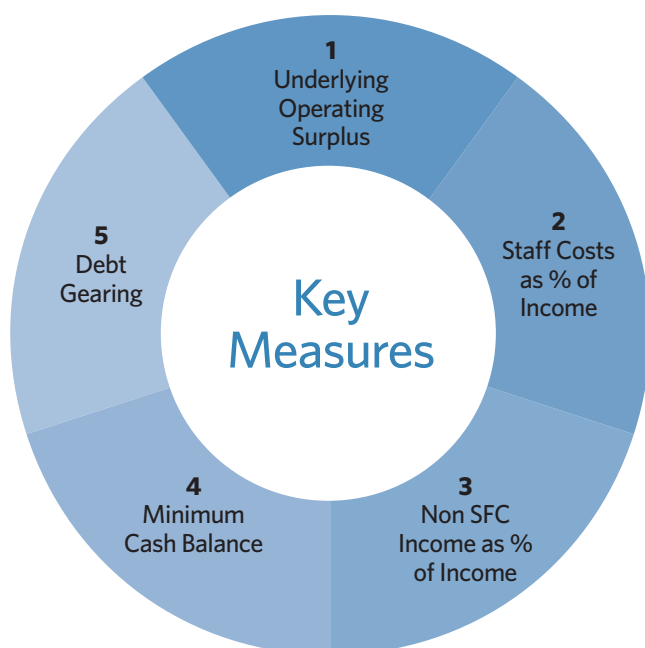
# Financial Review

## Financial KPIs

The KPIs for 2022/23 indicate that the University is performing well across a number of important measures and making good progress against the remaining key financial measures set as part of the 2030 Finance enabling plan.

Whilst the new strategy was only launched early 2021, the KPI results provide an early indication as to focus for the University through the duration.

## KPIs



KPI	2023 Actual	Baseline 2021	2030 Target
1	1.8%	8.3%	3.00%
2	59%	63%	63%
3	54%	49%	48%
4	£71.3m	£67.1m	Min £15m
5	0.01	0.07	Max 0.2:1.0

## Pensions

The University participates in three separate multi-employer defined benefit pension schemes, the Strathclyde Pension Fund (SPF), the Scottish Teachers Superannuation Scheme (STSS) and the Universities Superannuation Scheme (USS). Details of accounting policies applicable to pensions are set out on Pages 35-37 and further disclosures are set out in note 27.

The University accounts for the SPF in accordance with the requirements of FRS 102. Within total net assets is the pension asset of £82.0m in relation to the University's share of assets and liabilities in the SPF. The surplus on the balance sheet is lower than the asset ceiling calculated at 31 July 2023 and therefore no restriction has been applied to the asset. There has been a further increase in the asset value of £32.8m in 2022/23 to £82.0m as at 31 July 2023. The corporate bond yield (upon which the discount rate is derived) has risen over the period, which has led to a 1.55% increase in this assumption. This has served to reduce the Employer's obligations. Discount rates having moved to 5.05% at 31 July 2023, compared to 3.5% at the same point last year.

The University continues to take the exemption permitted under FRS 102 to disclose the USS Scheme as defined contribution, as it is unable to calculate individual employers' share of the overall deficit. A liability is recognised however within provisions for GCU's share of the obligation to fund past deficits within the USS scheme. The calculation of GCU's share of the funding deficit as at 31 July 2023 is based on 2020 valuation using the new dual rate schedule of contributions. The provision increased from £5.3m at 31st July 2022 to £6.4m as at 31 July 2023.

The University continues to take the exemption permitted under FRS 102 to disclose the STSS scheme as a defined contribution scheme, as it is unable to calculate individual employers' share of the overall deficit.

## Looking forward

In recent years the University has benefited from increased income streams, driven by high international student demand and recruitment. This has enabled higher levels of investment in 2022/23 in staff and physical and digital infrastructure of the University.

Looking ahead, the University will continue to manage the effects of rising inflation with increases across pay and pensions having a significant impact on future financial sustainability. The University, in common with the rest of the sector, continues to suffer from real terms reductions in SFC funding with no expectation that this will change in the medium term. This places significant pressure and reliance on international student recruitment which is a significant challenge.

# Corporate Governance Statement

## Introduction

The University Court of Glasgow Caledonian University ("the Court") is committed to best practice in all aspects of corporate governance.

This Statement describes the manner in which the Court has applied the principles set out in the Scottish Code of Good Higher Education Governance, issued in July 2017, and updated in March 2023, as directed by the Scottish Funding Council's Accounts Direction. It has taken due regard of the Turnbull Committee Guidance on Internal Control and the Guide for Members of Higher Education Governing Bodies in the UK as issued by the Committee of University Chairs. Its purpose is to help the reader of the financial statements understand how these principles have been applied.

## Statement of full compliance

A revised Scottish Code of Good Higher Education Governance (the Code) was published in March 2023 and reflects the requirements of the Higher Education (Scotland) Governance Act 2016. The University is also governed by statutory instrument, the Glasgow Caledonian University Order of Council 2010 (as amended by the Glasgow Caledonian University Amendment Order of Council 2020). The Amendment Order to the Statutory Instrument came into force on 1st October 2020.

In the opinion of the Court, the University has complied with its obligations under the statutory instrument and the principles and provisions of the 2023 Scottish Code of Good Higher Education Governance.

## Governing body

### Court

In accordance with the Code, Court has a Statement of Primary Responsibilities outlining which matters are reserved for consideration by the Court and which can be delegated by the Court to its committees. The Responsibilities are shown in full on page 25. This is one of the key documents against which the effectiveness of the Court is measured. The Statement of Primary Responsibilities is subsidiary to the Glasgow Caledonian University Order of Council 2010 (as amended by the Glasgow Caledonian University Amendment Order of Council 2020). Court reviews its Statement of Primary Responsibilities and how it has fulfilled them in the preceding year at the first meeting of the academic session.

Court met five times in 2022/23. Court also holds a strategic planning event early in each session and held a further strategy event in May 2023 in the context of a new Principal having started his tenure in January 2023, as well as online briefings and seminars.

Court and Senate have agreed procedures for reviewing their effectiveness. An externally facilitated review of Court's effectiveness is normally carried out every five years, as set out in the Code. Court last undertook such a review of its effectiveness in June 2017 but in view of the change of Principal in January 2023, the external review was deferred until early 2023/24 session in order to allow the new Principal to take up his post and for that process to feed into the review. The Court received the quinquennial review at its meeting in November 2023. In addition, there are internal arrangements to keep effectiveness under regular review including an annual effectiveness review.

A review of Senate's effectiveness is also carried out every five years but this similarly has been deferred to the 2023/24 session.

The Chair of Court is responsible for the leadership of the governing body and is ultimately responsible for its effectiveness. The Chair's responsibilities are set out in the Governors' Handbook and in the job description for the role of Chair of Court, the latter having been consulted upon with staff, court members and students and published on the University website. The Chair's current term of office as approved by Court, ends in February 2025.

Court has agreed procedures for appraising annually the performance of the Chair of Court, and review of his performance took place in September 2023.

## Court committees



# Corporate Governance Statement

The Chair of Court meets regularly with the Chairs of the standing committees allowing the Chairs to raise any issues about the conduct and coordination of their committees' business. There is an annual appraisal scheme for all Court members, integrated within the annual effectiveness review of the Court. Court members are asked to complete a questionnaire, which evaluates the performance of Court, the way it operates and the contribution of the individual member. This is followed by a conversation between each Court member and the Chair of Court. The Vice Chair of Court, a role which currently incorporates the role of Intermediary under the 2023 Code, is a point of contact for governors in the event that a Court member wishes to raise an issue regarding the Chair of Court and the Vice Chair also leads the annual appraisal of the Chair of Court.

The Chair ensures that Court fulfils its responsibilities as set out in the Statutory Instrument by means of its Statement of Primary Responsibilities, reserved powers, Standing Orders and the scheme of delegated authority.

The Chair of Court is responsible for ensuring that the University has due regard to the interests of all stakeholders in carrying out its business. The University has various initiatives to ensure it is well-connected with its stakeholders and continues to develop these relationships. It held a formal event for stakeholders in February 2023. This was a virtual event, which has been found to promote international reach, and was well attended by a range of stakeholders both internal and external.

Although Court delegates the co-ordination, development and supervision of the academic work of the University to Senate, this is subject to the general control and direction of Court. Senate met five times in 2022/23. Court members are invited to attend Senate meetings and lay governors are expected to attend at least one meeting of Senate per year – some choose to attend more.

Fundamental to the University's leadership in promoting the Common Good and the delivery of its mission is the commitment to embedding equality and diversity. The Court receives an annual report and has a duty under the Equality Act 2010 to publish a Public Sector Equality Duty Report in the Spring every two years, describing its progress on mainstreaming equality and delivering equality outcomes. The University's last Public Sector Equality Duty Report 2023 was approved by Court at its meeting in April 2023 and published thereafter.

Although the Court is ultimately responsible for the conduct of the University, much of the detailed work is delegated to Court's standing committees.

There are five standing committees: Audit Committee, Remuneration Committee, Court Governance and Nominations Committee, Finance and General Purposes

Committee and People Committee, each of which has formally constituted terms of reference. Each committee reviews its terms of reference annually and submits these to Court for approval and each committee reports regularly to Court on its work. In addition, there is a University Court Appeal Committee which is the last stage of appeal in respect of student disciplinary cases. This Committee meets only as required.

The University Secretary meets regularly with the Chair of Court as part of the process governing the conduct of Court's business to ensure that this is carried out in accordance with the legislative and regulatory framework and the Standing Orders. They are responsible for making arrangements to ensure that Court and its Committees are properly clerked and that minutes are produced timeously. Court minutes are published on the University website. A short report on the Court meeting is sent to all staff immediately after the meeting.

## **Audit Committee**

The Audit Committee met four times in 2022/23 with the University's external and internal auditors in attendance. Additionally, there was a joint meeting with the Finance and General Purposes Committee in October 2022 to consider the University's Financial Statements. The Audit Committee advises the University on the appointment of the internal and external auditors and the auditors' remuneration and assesses the effectiveness of the auditors annually. The Chair of the Audit Committee liaises with the internal auditors and the Committee meets privately with either or both of the internal and external auditors annually.

The University's internal auditors monitor the systems of internal control, risk management controls and governance processes in accordance with a risk based three-year strategic plan and a specific annual agreed plan of work, and they report their findings to management and the Audit Committee. Management is responsible for the implementation of agreed audit recommendations, and the internal auditors undertake periodic follow-up reviews to ensure that recommendations have been implemented. The Audit Committee considers detailed reports together with recommendations for the improvement of the University's systems of internal control and management's responses and implementation plans. It monitors adherence to regulatory and funding requirements and the University's risk management, including its management of information security and governance.

In the reporting year, an advisory report was received from the Internal Auditors which makes some recommendations for enhancing Data Protection and this will be implemented going forward.

The internal audit noted a pervasive control weakness across a number of audits during the year, relating to the



contractual arrangements and ongoing monitoring of third party relationships where the University acts as a Data Controller of Personally Identifiable Information. The audit identified a number of instances where insufficient agreements were in place, and a lack of ongoing monitoring framework to ensure that third party data risks are appropriately managed. The auditors were therefore unable to extend their opinion on adequate and effective risk management, control and governance processes to the area of data governance.

The outcome of the internal audit has been fully discussed by the University Executive Group at their meeting on the 5th September 2023 and an action plan to remediate has been prepared.

The Committee reviews the Annual Financial Statements of the University and its subsidiary companies and recommends these to Court for approval. Prior to doing so the Committee liaises with the Finance and General Purposes Committee, which also reviews the Annual Financial Statements, to share insights. As noted above, this is now done by means of an annual joint meeting.

The Principal and Vice-Chancellor, the Chief Operating Officer/Deputy Vice-Chancellor and the University Secretary, routinely attend meetings of the Audit Committee, but they are not members of the Committee. Other senior staff attend as necessary. In order to ensure openness, transparency and for the overall benefit of the work of the Committee, one Staff Governor and one Student Governor are among the membership.

### Court Appeal Committee (CAC)

In the event of any student wishing to appeal against the outcome of disciplinary proceedings, they may lodge an appeal against that decision, setting out their grounds for doing so. On receipt of an appeal, the University Secretary and the Chair of Court carry out an initial assessment of the appeal in order to confirm that it meets the criteria to proceed as a legitimate appeal. A CAC is convened only if an appeal has sufficient grounds to proceed. In the event that an appeal is allowed to proceed, a CAC is established in order to meet with the appellant, the Chair of the Senate Disciplinary Committee and any others whose contribution is considered material to hearing the appeal. The CAC hears the appeal and decides on the outcome. A CAC is composed of the Chair of Court or his/ her nominee, at least two lay governors, two members of Senate and the President of the Student Association. During 2022/23, only one CAC required to be convened.

### Remuneration Committee

The Remuneration Committee met three times in 2022/23. The Committee sets the parameters for the remuneration of senior staff, determines the remuneration of members

of the Executive and other senior staff earning £100,000 per annum or more, and recommends the remuneration of the Principal and Vice-Chancellor to the University Court. The Committee also reviews the objectives of the Principal and Vice-Chancellor for the following year before their submission to the Court for approval. The membership of the Committee is predominantly lay, but includes a staff and a student governor and is chaired by the Vice-Chair of Court.

The Remuneration Committee's work is governed by a clear Remuneration Philosophy designed to attract, retain and incentivise senior staff with responsibility for ensuring the delivery of the University's objectives. The Committee reviews the Remuneration Philosophy annually to ensure it remains fit for purpose. The Remuneration Philosophy is submitted to Court annually for approval. The Philosophy is underpinned by the following principles:

Transparent Communication

Non-discriminatory practices

Internal equity

External parity

Affordability

The Philosophy is shaped by internal and external considerations, including the size and scale of the organisation, its performance and the need to position the University competitively. The Committee draws on extensive contextual and comparative data and considers wider political and economic factors as appropriate. The Committee also seeks independent advice from time to time to inform its decisions, and it consults with staff and student representatives in preparation for its annual deliberations.

In accordance with its operating principles and terms of reference, the Remuneration Committee is required to provide Court with an annual report, incorporating full details of the basis of all decisions about the salary and terms and conditions of service for the Principal and Vice-Chancellor and of all other members of the Executive. This is accompanied by information about external comparators and any other background used by the Committee in reaching recommendations and decisions.

The Remuneration Committee delegates responsibility to the Remuneration Panel for determining the remuneration of Professorial and Senior Management staff earning below the £100,000 threshold. The Panel is chaired by the Principal and composed of executive staff members, with an invitation to attend extended to the Chair of

# Corporate Governance Statement

the Remuneration Committee. The Remuneration Committee receives a report on the outcomes of the work of the Remuneration Panel and its decisions about the remuneration of relevant staff each October.

In setting the salary bands for the Principal, executive staff, and other senior staff the Committee reviews benchmark data collected through the Universities and Colleges Employers' Association's (UCEA's) annual survey of senior remuneration arrangements across the sector. The comparator groups used are:

All institutions
Post 92 Universities and Higher Education Colleges - (All)
Post 92 Universities and Higher Education Colleges - £110m to £160m income
Scotland - £70m to £202m income
The University Alliance Group *

\* Although the University is not a member of the University Alliance, its information continues to be included as a useful comparator given the nature of institutions within the Alliance.

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

The Committee is chaired by the Vice-Chair of Court, and the Chair of Court is a member. The Principal is not a member of the Remuneration Committee but is invited to attend meetings and is absent when the Principal's remuneration and terms and conditions are under discussion.

## Court Governance and Nominations Committee

The Court Governance and Nominations Committee met four times in 2022/2023 to conduct its business which has included responsibility in 2023 for overseeing the process of identifying and appointing a new Chancellor to succeed Dr Annie Lennox OBE.

The Court Governance and Nominations Committee keeps Court's membership under review, assesses the skills and experience needed within the Court membership while monitoring the diversity of Court and the objectives of the Gender Representation on Boards (Scotland) Act 2018, reviews nominations for vacancies in Court membership and advises Court on matters of Court governance. Court has a robust process for appointing governors, which is based on the principles of transparency and inclusiveness. A wide range of methods may be adopted to allow the

Committee the flexibility to employ whichever recruitment approaches are most appropriate to secure the necessary skills and diversity of the Court membership.

The Committee has worked to make the recruitment process transparent, fair, inclusive and rigorous and has due regard to the principles of equality and diversity and monitors available data.

To help the University's commitment to promoting equality and valuing diversity, and in line with the recommendations in the Code, all governor applicants are asked to complete an equality and diversity monitoring form and subsequently all appointees are asked to complete an annual equality and diversity monitoring form for HESA purposes. The Committee is mindful of its responsibilities arising from the Gender Representation on Public Boards (Scotland) Act 2018 and prioritises this consideration in its briefing of recruitment companies it engages. In the small population of Court lay membership the gender percentage split can fluctuate noticeably as a result of even small membership changes. The gender balance of lay governors on Court as at 31st July 2023 was 64% male and 36% female.

In keeping the balance of diversity, skills and experience under review the Committee maintains a skills matrix which it reviews at least annually. The Committee identifies any gaps and ensures that the breadth and depth of skills and experience, which Court requires to discharge its responsibilities effectively, continue to be reflected in its lay membership. All Court members are asked to review their information on the skills matrix annually to ensure it remains current.

Court members are required to register other interests, connections and commitments and to keep this up to date by reviewing their entries at least annually. Members are required to report any potential conflicts of interest which might arise from the agenda at the start of each meeting of Court and its Committees.

The Committee reviews the extent to which the size of Court remains fit for purpose and contributes to maintaining a coherent and effectively functioning governing body. The Committee does this within the prescriptions and constraints of the Higher Education Governance (Scotland) Act 2016.

The Committee has aimed to ensure that Court is no bigger than necessary to secure the range of skills and experience needed to undertake its responsibilities effectively and to manage succession planning or any unforeseen change in Court membership. In doing so, the Committee takes cognisance of the continuing requirement for lay members to be in the majority on the governing body.

The Committee also reviews published reports and recommendations arising from university governance issues elsewhere in the sector to evaluate what lessons may be drawn from them and consider whether any changes to the University's own policy or practices are required.

### Finance and General Purposes Committee

The Finance and General Purposes Committee met five times in 2022/23 including one meeting held jointly with the Audit Committee. It recommends to Court the University's annual revenue and capital budgets and monitors performance in relation to the approved budgets. The Committee also reviews major investment decisions prior to presentation to, and final approval by, Court.

As part of its responsibility for the financial oversight of the University, the Committee reviewed the annual financial statements for 2022/23, both the consolidated University statements and those of its subsidiary companies, and provided comment on them for the Audit Committee and Court.

### People Committee

The People Committee met four times in 2022/23. It reports to Court on the development, implementation and monitoring of the people strategy and on staff policies and relevant wider policies affecting students and staff that support the University Strategy. It addresses relevant legislative and regulatory requirements and staff consultative processes and feedback. It has oversight of the management of all activities of the University as they relate to its duties and responsibilities in respect of equality and diversity and the health and wellbeing of students, staff and visitors.

## Glasgow Caledonian University Stakeholder Event

The annual Glasgow Caledonian University Stakeholder Event took place on 15th February 2023. The event was hosted by the Chair of Court and in an informal interview setting with the new Principal, Professor Stephen Decent, shared his initial impression of the University and reflected on his vision for the future of the University. The Chair then highlighted some of the ongoing research work at the University, spotlighting one of the University's leading research programmes – Beyond Blood Borne Viruses. The Chair introduced Professor of Sexual Health and HIV, Claudia Estcourt, who told us more about this innovative programme. The Chair also introduced Kenny Murray, one of the University's extremely talented Masters in TV Fiction Writing students, who provided an enlightening and uplifting insight into student experience at Glasgow Caledonian. The event concluded with an open opportunity to those in attendance to put questions to the new Principal which was informative and inspiring. The event updated

staff, students, alumni, donors, civic and business leaders, and the wider community on the new Principal's vision for the future of the University but also the excellent research work that is currently ongoing in the University as well as an understanding and insight into the life of a student at the University.

## Corporate Strategy

The University has a comprehensive strategic planning process which is characterised by both short and medium term strategic objectives, SMART targets and key performance indicators. Court members are fully involved in the deliberations on strategic development and Court receives the final Strategic Plan, including financial projections from the University Executive Group, for approval. The University's supporting Three Year Financial Plan is reviewed and updated on an annual basis.

Through a continuing extensive process of consultation and stakeholder involvement, workshops and other meetings, Court members were involved in developing the University's Strategy for 2030, its enabling strategies and plans and associated key performance indicators and now monitor performance against that plan. In 2023, with the advent of a new Principal, the Court agreed that there should be a refresh of the strategy based on wide consultation with a view to completion in spring 2024.

## Risk management and internal control

Court is ultimately responsible for the University's system of internal control and, as the Chief Executive Officer, the Principal and Vice-Chancellor, is responsible for its effectiveness. Such a system mitigates rather than eliminates the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

There is a robust Court committee and executive structure which operates effectively with remits, standing orders, reserved powers, minutes and action plans. There is a full scheme of delegated authority covering all university staff plus comprehensive financial procedures, an expenses policy and programmes of staff training in areas of key risk.

The University Executive Group (UEG) and the Finance and General Purposes Committee receive quarterly financial reports with outturns monitored against targets. In addition, the University Court receives a financial update at each meeting. The UEG and the relevant Court standing committees also receive reports with due management information on major strategic developments, staff and student-related issues and health and safety.

Project management is in place during the lifecycle of all major projects, with a nominated Executive staff member assigned to lead such projects.

# Corporate Governance Statement

Court's role is to set the overall policy for risk management within the University. This includes:

Determining institutional risk appetite
Approval of major decisions affecting the University's risk profile or exposure
Review and approval of the corporate risk register as recommended by Audit Committee
Review of the University's approach to risk management and approving changes or improvements to key elements of its processes and procedures

The University recognises that it has a responsibility to manage its internal and external risks as a key component of good corporate governance and is committed to embedding risk management as a key requirement to help achieve the University's strategic and operational objectives. A Risk Management Forum oversees the development and implementation of the University's Risk Management Strategy including the Risk Appetite and Tolerance Framework. The Strategy supports institutional decision-making and monitoring of a portfolio of activities in different business areas, by establishing risk statements and tolerance metrics for each of the main areas of risk that the University faces. The Risk Appetite and Tolerance Framework includes thresholds in terms of operational, financial and reputational impact.

The corporate risk register includes impact analysis and mitigating actions and is reviewed annually by Court, biannually by the Audit Committee and the Finance and General Purposes Committee and quarterly by the University Executive Group. Additionally, the Principal details any interim changes to risk identified by the Executive Group, in his report to Court.

Risk management is embedded within the daily operations of the University from strategy formulation through to business planning and processes. The Court conducts a risk workshop, usually annually as part of its review of the risk register, and the Committees consider risks on the register in the context of their own remits.

All Schools and Professional Support Departments have operating plans which identify potential risks and issues within their departments. In addition, there is a University Business Continuity Plan which is reviewed annually and tested periodically. Each School and Professional Support

Department has local plans which are kept under review. Where required, risk registers are amended to reflect any issues arising. As new legislation arrives, actions are taken by committees to ensure compliance. Committee papers must indicate how the actions proposed address compliance with key legislation and more broadly whether risks are mitigated or increased. All policies are reviewed annually by the policy owner who is required to confirm their continuing legislative and/or regulatory compliance or indicate necessary changes. A report on policy compliance is reviewed by the Audit Committee annually. The Audit Committee also receives an annual report on whether and how the Public Interest Disclosure Act 1998 has been invoked.

Accordingly, Court considers that there is a robust process for identifying, evaluating and managing the University's significant risks which has been in place throughout the year ended 31 July 2023 and up to the date of approval of the Annual Financial Statements. This process is reviewed by Court and accords with the Turnbull guidance, as applicable to the higher education sector.

## Going concern

The University's activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report which forms part of the Annual Report. The Financial Review describes the financial position of the institution, its cash flows, liquidity position and borrowing facilities.

The University has prepared cash flow forecasts for a period of 13 months from the date of approval of these financial statements. After reviewing these forecasts, the Court is of the opinion that, taking account of the plausible downsides and stress testing, the University will have sufficient funds to meet its liabilities as they fall due over the period of at least 12 months from the date of approval of the financial statements (the going concern assessment period). At the date of signing the university cash reserves were £85.8m.

Consequently, the Court is confident that the University will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## Conclusion

This year of 2022/23 has been one of transition for the University - Professor Pamela Gillies CBE FRSE stepped aside as Principal at the end of December 2022 after seventeen years which have seen the University make great progress, while Professor Stephen Decent, who started in the role on 1 January 2023, is bringing new momentum to take the University to the next exciting phase of its development. The hard work and dedication of staff, our diverse and enthusiastic student body, and our reputation in teaching and research are reflected in the University's acceleration through the League Tables - the most recent Guardian and Times Higher Education League tables ranked the University as 40th and 50th respectively. The University is the largest and the top performing modern university in Scotland and second in the whole of the UK. The University has continued to extend opportunities for an increasing number and a wider range of home students with growth in the already significant percentage of our students who are from SIMD 20 backgrounds. We provide excellent support for open and inclusive education which is reflective of our mission to build a strong, fair and ambitious society based on the Common Good. During the year the University met and exceeded its target for home student recruitment and continues to attract a vibrant population of international students to its campuses in Glasgow and London - this year we increased the footprint of our London Campus to meet international demand.

The University's reputation for sector leading, impactful research continues to grow, as does our external grant income. The University's School for Health and Life Sciences has been awarded two million pound grants in 2022/23, one from the Medical Research Council (MRC) investigating liver disease, and one from the National Institute for Health and Care Research (NIHR) for a programme of work to synthesise research evidence. In addition, four prestigious grants have been awarded by the European Commission. We are the leading Scottish modern university for the level of research (72%) considered to be world leading or internationally excellent. Our health research is surpassed only by King's College London for outstanding impact, and 100% of our communications, culture and media research is rated as having an outstanding or very considerable impact (REF2021).

Finally, I would like to thank all members of staff and the Court for their tireless dedication, professionalism and sheer hard work. This is the bedrock of the University's ability to deliver its mission. It is what secures the well-being and success of our students and it is what allows us to expand educational opportunities so that this and future generations can play their part in bringing about a fair, equitable and prosperous society founded on the power of the Common Good.



**Rob Woodward**  
Chair of University Court



# Statement of Primary Responsibilities of Court

Under the terms of the Glasgow Caledonian University Order of Council 2010 (as amended by the Glasgow Caledonian University Order of Council 2020), Court is the governing body of the University and, as such, is responsible for overseeing the management and administration of the whole of the revenue and property of the University. Court exercises general control over the University and all its affairs, purposes and functions, taking all final decisions on matters of fundamental concern to the University.

Specifically, Court's Primary Responsibilities are detailed as follows:

## Staff and students

1. To appoint the Principal and Vice-Chancellor of the University, including the term and conditions of such appointment, and to put in place suitable arrangements for the monitoring of their performance;
2. To appoint a Secretary to the University Court
3. To ensure a safe working environment is provided for staff and students;
4. To make such provision as it thinks fit following consultation with the Senate, for the general welfare of its students;

## Financial responsibilities

5. To ensure the solvency of the University and to safeguard its assets;
6. To ensure the preparation of, and to approve the University's annual accounts and reports;
7. To ensure the proper use of public funds awarded to the University and to ensure that the terms of the Financial Memorandum with the Funding Council are observed;
8. To approve the annual operating plans and budgets and to ensure that these reflect the University's strategic plan and strategic risk assessment;
9. To select suitable accounting policies and then ensure they are applied;
10. To make judgements and estimates that are reasonable and prudent;
11. To state whether applicable UK Accounting Standards have been followed, and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements
12. To assess the group and the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
13. To use the going concern basis of accounting, unless the Court intends to liquidate the group or the University or to cease operations, or has no realistic alternative but to do so.

## Strategic responsibilities

14. To approve the mission statement of the University and its strategic plan and to ensure that these articulate the University's goals and meet the interests of the stakeholders;
15. To approve all substantive policies of the University;

## Controls

16. To ensure that the University operates in accordance with the University's Statutory Instruments as well as all applicable legislation;
17. To ensure that in all the University's policies, procedures and actions, the University complies with the requirements of the law relating to equal opportunities as a provider of education and as an employer;
18. To ensure that systems are in place for the assessment and management of risk;
19. To ensure the existence and integrity of financial control systems and to monitor these through the Audit Committee;
20. To ensure that appropriate arrangements are in place for the proper management of health and safety in respect of students, staff and other persons on University premises or affected by university operations;

## Monitoring performance and effectiveness

21. To monitor the University's performance against its strategic plan and agreed key performance indicators;
22. To monitor and review the performance and effectiveness of the Court and its standing committees;
23. To ensure that the proceedings of Court are conducted in accordance with best practice in higher education corporate governance including the Scottish Code of Good HE Governance and with the principles of public life drawn up by the Committee on Standards in Public Life.

# Membership of Court and Key Committees

## University Court Members

Mr Rob Woodward *Chair of Court*  
Ms Jennifer Abali *Students' Association Nominated Governor (from 31.05.23)*  
Mr Peter Baguley *Lay Governor*  
Mr Amit Bhargava *Lay Governor*  
Professor Stephen Decent *Principal and Vice-Chancellor ex officio (from 01.01.23)*  
Mr Chukwuma Egbujor *Students' Association Nominated Governor (until 31.05.23)*  
Mr Campbell Fitch *Lay Governor (sabbatical)*  
Mrs Sylvie Freund-Pickavance *Lay Governor*  
Mr Daniel Gallacher *Lay Governor*  
Ms Ellen Gibson *TU Nominated Governor*  
Professor Pamela Gillies *Principal and Vice-Chancellor ex officio (until 31.12.22)*  
Dr Lyle Gray *Senate Elected Governor (from 01.08.22)*  
Mr David Halliday *Professional and Support Staff Elected Governor*  
Mr Asif Haseeb *Lay Governor*  
Mr Ian Kerr *Lay Governor*  
Ms Sharon Lowrie *Lay Governor*  
Ms Meg Lustman *Lay Governor and Vice Chair of Court*  
Mr Bill McDonald *Lay Governor*  
Dr Nick McKerrell *TU Nominated Governor*  
Mrs Neena Mahal *Lay Governor*  
Professor Catriona Miller *Academic Staff Elected Governor (from 01.08.22)*  
Mr Chidozie Nwaigwe *President of the Students' Association (from 31.05.23)*  
Mr Austin Sweeney *Lay Governor*  
Ms Laiba Tareen *President of the Students' Association (until 31.05.23)*  
Ms Jane Wilson *Lay Governor*

## Members of Audit Committee

Mr Bill McDonald *Committee Chair*  
Ms Jennifer Abali *(from 31.05.23)*  
Mr Peter Baguley  
Mr Chukwuma Egbujor *(to 31.05.23)*  
Mr Daniel Gallacher  
Mr Asif Haseeb  
Professor Catriona Miller

## Members of Remuneration Committee

Ms Meg Lustman *Committee Chair*  
Mr Chukwuma Egbujor *(to 31.05.23)*  
Mr Campbell Fitch  
Mr Nick McKerrell  
Mr Chidozie Nwaigwe *(from 31.05.23)*  
Mr Austin Sweeney  
Mr Rob Woodward

## Members of Governance and Nominations Committee

Mr Rob Woodward *Committee Chair*  
Professor Stephen Decent  
Mrs Sylvie Freund-Pickavance  
Dr Lyle Gray  
Mr Ian Kerr  
Ms Meg Lustman  
Mr Chidozie Nwaigwe *(from 31.05.23)*  
Mr Austin Sweeney  
Ms Laiba Tareen *(to 31.05.23)*

## Members of Finance and General Purposes Committee

Mr Ian Kerr *Committee Chair*  
Mr Peter Baguley  
Mr Amit Bhargava  
Professor Stephen Decent  
Mr David Halliday  
Ms Sharon Lowrie  
Ms Meg Lustman  
Dr Nick McKerrell  
Mrs Susan Mitchell  
Mr Chidozie Nwaigwe *(from 31.05.23)*  
Mr Austin Sweeney  
Ms Laiba Tareen *(to 31.05.23)*

# Membership of Court and Key Committees (Continued)

## Members of People Committee

Mrs Neena Mahal *Committee Chair*  
Ms Jennifer Abali (*from 31.05.23*)  
Professor Stephen Decent  
Mr Chukwuma Egbujor (*to 31.05.23*)  
Mr Campbell Fitch  
Mr Daniel Gallacher  
Ms Ellen Gibson  
Dr Lyle Gray  
Ms Sharon Lowrie  
Ms Meg Lustman  
Ms Jane Wilson

## Governor Development

Soon after they are appointed, governors participate in induction at GCU. This induction includes information on the general responsibilities of Court, information on the HE Landscape, GCU's strategic direction, governance and finance and they also meet members of the University Executive and other senior postholders.

Lay governors participate in a link scheme whereby each governor is associated with a different School, professional services department or other significant focus of activity across the University as a method of promoting understanding and interaction between Court members and the wider University.

There is a programme of ongoing development for governors which includes presentations and briefings on areas of the University's work, sector updates and a subscription to the Times Higher Educational Supplement.

The University is committed to governor development and sees it as an important part of the infrastructure to sustain high quality governance. Governors are therefore given the opportunity to attend events run by the Advance HE - which provides a Governor Development Programme with a range of courses from governor induction to knowledge and skills development.

# University Court and Committee Meetings

Attendance at University Court and Committee Meetings for the year to 31 July 2023

Member	Date from / to	Court 5 in year	Audit 4 in year	Remuneration 3 in year	Court Governance and Nominations 4 in year	Finance and General Purposes 5 in year	People 4 in year	Joint Audit and Finance and General Purposes 1 in year
Mr Rob Woodward		5		3	4			
Professor Pamela Gillies	To 31.12.22	2			0	2	1	1
Professor Stephen Decent	From 01.01.23	3			3	3	2	
Ms Jennifer Abali	From 31.05.23	0	1					
Mr Peter Baguley		2	5			5		5
Mr Amit Bhargava		3				4		0
Mr Chukwuma Egbujor	To 31.05.23	4	3	2			4	
Mr Campbell Fitch ( <i>Sabbatical</i> )		0		1			1	
Mrs Sylvie Freund Pickavance		4			4			
Mr Daniel Gallacher		5	4				4	1
Ms Ellen Gibson		3					3	
Dr Lyle Gray		4			3		2	
Mr David Halliday		4				4	1	0
Mr Asif Haseeb		5	4					1
Mr Ian Kerr		5				5		1
Ms Sharon Lowrie		3				4	3	0
Ms Meg Lustman		5		3	3	4	4	1
Mrs Neena Mahal		5					4	
Professor Catriona Miller		4	3					1
Mr Bill McDonald		4	4					1
Dr Nick McKerrell		4		3		3	1	0
Mrs Susan Mitchell						5		1
Mr Chidozie Nwaigwe	From 31/05/23	1		1	1	1		

## University Court and Committee Meetings (Continued)

### Attendance at University Court and Committee Meetings for the year to 31 July 2023

Member	Date from / to	Court 5 in year	Audit 4 in year	Remuneration 3 in year	Court Governance and Nominations 4 in year	Finance and General Purposes 5 in year	People 4 in year	Joint Audit and Finance and General Purposes 1 in year
Mr Austin Sweeney		5		3	4	5		1
Ms Laiba Tareen	To 31.05.23	3			2	3		1
Ms Jane Wilson		5				3		1

Court members sit on one, and sometimes more, Court Committees. In some cases, professional and other commitments have prevented members attending all their Court or Committee meetings. In such circumstances appropriate communication and contribution has been provided to the Chair outwith the meeting.

\*Attendance reflects appointments made to/resignation from Court/Committee during the year.

The University Secretary and Vice Principal (Governance) is in attendance at Court and all Committee meetings.

The Deputy Vice-Chancellors, Pro Vice-Chancellors, Chief Operating Officer and members of senior management as appropriate, are in attendance at Court.

The above list refers to governor's attendance at Court and the committees of which they are members. In addition to this, governors are encouraged to, and regularly attend as observers at committees of which they are not members and also, Senate meetings.



# Independent Auditor's Report to the University Court of Glasgow Caledonian University

## Opinion

We have audited the financial statements of Glasgow Caledonian University ("the University") for the year ended 31 July 2023 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Statement of Financial Position, the Consolidated Statement of Cash Flows and related notes, including the Statement of accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group and of the University's affairs as at 31 July 2023 and of the Group's and of the University's income and expenditure, gains and losses and changes in reserves and of the cash flows for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and with the 2019 Statement of Recommended Practice - Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## Basis for opinion

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

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), applicable law and the terms of our engagement letter dated 17 May 2022. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

The University Court has prepared the financial statements on the going concern basis as it does not intend to liquidate the Group or the University or to cease their operations, and as it has concluded that the Group's and the University's financial position means that this is realistic. It has also concluded that there are no material uncertainties that could have cast significant doubt over their ability to

continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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

Our conclusions based on this work:

- we consider that the University Court's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the University Court's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the University's ability to continue as a going concern for the going concern period.

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

## Fraud and breaches of laws and regulations - ability to detect

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

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

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

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

As required by auditing standards, and taking into account

# Independent Auditor's Report to the University Court of Glasgow Caledonian University (Continued)

possible pressures to meet performance targets we perform procedures to address the risk of management override of controls, in particular the risk that Group and University management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates such as pension assumptions. On this audit we do not believe there is a fraud risk related to revenue recognition because tuition fee income is mainly received in the period to which it relates with limited judgement in respect of recognition and other income amounts are substantially less material.

We did not identify any additional fraud risks.

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

We also performed procedures including:

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

*Identifying and responding to risks of material misstatement related to compliance with laws and regulations*

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

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

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

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

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: compliance with requirements of the Scottish Funding Council, health and safety, and employment laws. Auditing standards limit the required audit procedures to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach. We have reported separately on the University's use of funds in the section of our audit report dealing with other legal and regulatory requirements.

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

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

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

## **Other information**

The University Court (the members of which are the Trustees of the University for the purposes of charity law) is responsible for the other information, which comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

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

We have nothing to report in these respects.

#### **Matters on which we are required to report by exception**

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

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

We have nothing to report in these respects.

#### **The University Court's responsibilities**

As explained more fully in its statement set out on page 25, the University Court is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the University or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### **Report on other legal and regulatory matters**

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

In our opinion, in all material respects:

- funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation and any other terms and conditions attached to them; and
- funds provided by the SFC have been applied in accordance with the Financial Memorandum with Higher Education Institutions.

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

This report is made solely to the University Court of the University in accordance with paragraph 6 of the Glasgow Caledonian University Order of Council 2010, and in the University Court's role as charity trustees, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 and the terms of our engagement by the University. Our audit work has been undertaken so that we might state to the University Court of the University those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the University, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University Court of the University, for our audit work, for this report, or for the opinions we have formed.



#### **Michael Wilkie**

for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*

*KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006*

319 St Vincent Street  
Glasgow, G2 5AS

15 December 2023

# Statement of Accounting Policies

## Basis of preparation

The financial statements have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, Regulation 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with applicable accounting standards. They also conform to guidance published by the Scottish Funding Council. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable accounting standards. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets).

The University's activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report which forms part of the Annual Financial Statements also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

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

The University has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements (the going concern period) which indicate that, taking account of severe but plausible downsides, the University will have sufficient funds to meet their liabilities as they fall due for that period.

In reaching this conclusion, the Court has considered the cash flow forecasts covering the years 2022/23 to 2023/24, which have been stress tested and include plausible downsides in response to the most unpredictable and unprecedented period in recent history. These downside scenarios assumed a 10% reduction in both Home and International student recruitment in 2024/25, a 10% reduction in CPD and Other Income with no offsetting cost reductions and Other Costs inflation of CPI plus 2%. The forecasts show that the operational activities of the University are expected to emerge from 2022/23 in a robust position in terms of primary indicators of cash reserves of £85.8m at the date of signing and recurring underlying operating surpluses.

The Court believe the University have sufficient funding in place and expect the University to be in compliance with its debt covenants even in severe plausible downside scenarios.

Consequently, Court is confident that the University will have sufficient funds to continue to meet their liabilities

as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial period. Intra-group transactions are eliminated on consolidation.

The consolidated financial statements do not include the income and expenditure of the Glasgow Caledonian University Students' Association as it is a separately constituted organisation in which the University has no financial interest nor does the University exert control or dominant influence over its policy decisions.

The University accounts for its share of joint ventures using the equity method. The University accounts for its share of transactions from joint operations in the Consolidated Statement of Comprehensive Income and Expenditure.

## Income recognition

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

## Fee income

Fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income and Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment or fee waiver, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

## Grant funding

Government revenue grants, including funding council block grants and research grants, are recognised as income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year, as appropriate.

Grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as the conditions are met.

## Capital grants

Government capital grants are recognised as income over the expected useful life of the asset. Other capital grants are recognised as income when the University is entitled to the funds subject to any performance conditions being met.

## Donations and endowments

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

Donations with no restrictions are recorded as income when the University is entitled to the funds.

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

There are four main types of donations and endowments identified within reserves:

1. Restricted donations - the donor has specified that the donation must be used for a particular objective.
2. Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
3. Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University has the power to use the capital.
4. Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

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

## Employment benefits

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

## Leases

Leases, in which the University assumes substantially all the risks and rewards of ownership of the leased asset, are classified as finance leases. Leased assets, acquired by way of a finance lease and the corresponding lease liabilities, are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

## Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, (Sterling), at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income.

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity.

## Fixed assets

Fixed assets are stated at cost/ deemed cost less accumulated depreciation. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2019 SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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



# Statement of Accounting Policies (Continued)

## Land and buildings

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

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives of 40 to 50 years, and in the case of new buildings a useful life of 50 years has been adopted.

No depreciation is charged on assets in the course of construction.

## Equipment, plant and furniture

Equipment (including computers and software), plant and furniture costing less than de-minimus £20,000 per individual item or group of related items, are recognised as expenditure. All other items are capitalised.

Capitalised equipment, plant and furniture are stated at cost and depreciated over their expected useful life as follows:

Computer equipment	3 years
Plant and general equipment	5-20 years
Furniture	5-10 years
Fixtures and fittings	5-10 years

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

## Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

## Investments

Non-current asset investments are held on the Balance Sheet at market value with movements recognised in the surplus or deficit.

Investments in jointly controlled entities and subsidiaries are carried at cost less impairment in the University accounts.

Current asset investments are held at fair value with movements recognised in the surplus or deficit.

## Stock

Stock is stated at the lower of cost and net realisable value and excludes books and consumables in academic departments and laboratories. Where necessary, provision is made for obsolete, slow moving and defective stock.

## Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

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

## Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- The University has a present obligation (legal or constructive) as a result of a past event;
- It is probable that an outflow of economic benefits will be required to settle the obligations; and
- A reliable estimate can be made of the amount of the obligation.

A contingent liability arises from a past event that gives the University a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the University a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

## Retirement benefits

The University participates in three defined benefit pension schemes; the Strathclyde Pension Fund (SPF), the Scottish Teachers Superannuation Scheme (STSS) and the Universities Superannuation Scheme (USS). All schemes are multi-employer pension schemes.

The University also provides enhanced pensions to former employees who accepted early retirement and provision is made on an actuarial basis for the liability to those former employees at the time of their retirement.

### Strathclyde Pension Fund

SPF is accounted for as a defined benefit scheme. The University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The University recognises a liability for its obligations under the scheme, net of scheme assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset will be calculated in line with IAS 19 to be the net present value of future service costs less the NPV of future service contributions to which the employer is committed.

### Scottish Teachers Superannuation Scheme

The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not attributed to individual institutions and scheme-wide contribution rates are set. The University is, therefore, exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis and, therefore, as required by Section 28 of FRS 102 'Employee benefits', the University accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

### Universities Superannuation Scheme

With effect from 1 October 2016, USS changed from a defined benefit only pension scheme 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. Because of the mutual nature of the scheme, the scheme's assets are not attributed to individual institutions and scheme-wide contribution rates are set. The University is, therefore, exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee benefits', the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the

accounting period. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent they relate to the deficit) and an expense is recognised.

### Taxation

The University is an exempt charity within the meaning of the Trustee Investment and Charities (Scotland) Act 2005 and, as such, is a charity within the meaning of section 506(1) of the Income and Corporation Taxes Act 1988. The University is recognised as a charity by HM Revenue & Customs and is recorded on the index of charities maintained by the Office of the Scottish Charity Regulator (Charity No. SC021474). It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gain Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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

The University's UK subsidiaries are liable to Corporation tax in the same way as any other commercial organisation.

### Financial instruments

Financial instruments are recognised in the Balance sheet when the University becomes party to the contractual provisions of the instrument. All of the University's financial instruments are classified as 'basic' in accordance with Chapter 11 of FRS102.

Trade and other debtors and creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost, less any impairment losses in the case of trade debtors. Other financial assets include non-current asset and current asset investments and cash and cash equivalents, the accounting treatment for which is covered in the Investments and Cash and cash equivalents accounting policies.

Debt instruments that have no stated interest rate (and do not constitute financing transactions) and are classified as payable or receivable are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

## Statement of Accounting Policies (Continued)

Commitments to make and receive loans, which meet the conditions mentioned above, are measured at cost (which may be nil) less impairment.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

### Public Benefit Concessionary Loans

Where loans are provided at below the prevailing market rate of interest, not repayable on demand and made for the purpose of furthering the objectives of the University, they are classified as concessionary loans.

The University's choice of policy is to measure at cost less impairment, as opposed to amortised cost.

Such loans are recognised in the statement of financial position and adjusted at the period end to reflect any accrued interest payable. Where a loan is interest free, no interest is charged in subsequent years.

### Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund, which the University must hold in perpetuity.

Other restricted reserves include balances where the donor has designated a specific purpose and the University is restricted in the use of these funds.

# Financial Statements

## Consolidated Statement of Comprehensive Income and Expenditure For the year ended 31 July 2023

	Note	Consolidated 2023 £000	University 2023 £000	Consolidated 2022 £000	University 2022 £000
<b>Income</b>					
Funding Council grants	1	79,154	79,154	76,255	76,255
Tuition fees and education contracts	2	81,546	80,461	59,425	58,401
Research grants and contracts	3	6,486	6,049	5,801	5,589
Other income	4	9,386	9,595	9,857	9,933
Investment income	5	2,223	2,178	291	267
Donations and endowments	6	555	555	604	604
<b>Total income</b>		<b>179,350</b>	<b>177,992</b>	<b>152,233</b>	<b>151,049</b>
<b>Expenditure</b>					
Staff costs	7	105,107	103,073	106,416	104,779
Severance costs	7	-	-	-	-
Other operating expenses	9	68,636	84,418	40,388	36,363
Depreciation	11	6,084	5,951	6,095	5,955
Interest and other finance costs	8	(946)	(946)	1,350	1,350
<b>Total expenditure</b>		<b>178,881</b>	<b>192,496</b>	<b>154,249</b>	<b>148,447</b>
<b>Surplus/(deficit) before other gains and share of deficit in joint venture</b>		<b>469</b>	<b>(14,504)</b>	<b>(2,016)</b>	<b>2,602</b>
Gain on disposal of non-current asset investments				-	-
Loss on endowment investments	12	(64)	(64)	(100)	(100)
Share of operating surplus/(deficit) in joint venture	13	-	-	1,918	-
<b>Surplus/(deficit) before tax</b>		<b>405</b>	<b>(14,568)</b>	<b>(198)</b>	<b>2,502</b>
Taxation	10	(44)	(44)	(70)	(70)
<b>Surplus/(deficit) for the year</b>		<b>361</b>	<b>(14,612)</b>	<b>(268)</b>	<b>2,432</b>
Unrealised (loss)/gain on investments		(45)	(45)	-	-
Actuarial gain in respect of pension schemes	27	50,869	50,869	105,650	105,650
Currency translation differences on foreign currency net investment		62	-	(109)	-
<b>Total comprehensive income</b>		<b>51,247</b>	<b>36,212</b>	<b>105,273</b>	<b>108,082</b>
<b>Represented by:</b>					
Endowment comprehensive income for year		(22)	(22)	(99)	(99)
Restricted comprehensive income for year		(54)	(54)	(2)	(2)
Unrestricted comprehensive income for year		53,261	38,288	107,438	110,138
Revaluation reserve comprehensive income for the year		(2,000)	(2,000)	(1,955)	(1,955)
Foreign currency translation reserve		62	-	(109)	-
<b>Comprehensive income for the year</b>		<b>51,247</b>	<b>36,212</b>	<b>105,273</b>	<b>108,082</b>

# Financial Statements (Continued)

## Consolidated Statement of Comprehensive Income and Expenditure (continued)

For the year ended 31 July 2023

	<b>Consolidated</b>	<b>University</b>	Consolidated	University
	<b>2023</b>	<b>2023</b>	2022	2022
	<b>£000</b>	<b>£000</b>	£000	£000
<b>Surplus/(deficit) for the year attributable to:</b>				
University	<b>361</b>	<b>(14,612)</b>	(268)	2,432
<b>Total comprehensive income for the year attributable to:</b>				
University	<b>51,247</b>	<b>36,212</b>	105,273	108,082

All items of income and expenditure arise from continuing operations.

The accompanying notes form an integral part of the financial statements.



Consolidated and University Statement of Changes in Reserves  
For the year ended 31 July 2023

Consolidated	Income and expenditure reserve					
	Endowment £000	Restricted £000	Unrestricted £000	Foreign currency translation reserve £000	Revaluation reserve £000	Total £000
<b>Balance at 1 August 2021</b>	<b>417</b>	<b>501</b>	<b>46,218</b>	<b>61</b>	<b>70,556</b>	<b>117,753</b>
Surplus/(deficit) from the income and expenditure account	(44)	197	(421)	-	-	<b>(268)</b>
Other comprehensive income	-	-	105,650	(109)	-	<b>105,541</b>
Transfer of amount equivalent to additional depreciation of fixed assets	-	-	1,955	-	(1,955)	-
Cumulative revaluation written back on investments	-	-	590	-	(590)	-
Release of restricted funds spent in year	(55)	(199)	254	-	-	-
<b>Total comprehensive income for the year</b>	<b>(99)</b>	<b>(2)</b>	<b>108,028</b>	<b>(109)</b>	<b>(2,545)</b>	<b>105,273</b>
<b>Balance at 1 August 2022</b>	<b>318</b>	<b>499</b>	<b>154,246</b>	<b>(48)</b>	<b>68,011</b>	<b>223,026</b>
Surplus/(deficit) from the income and expenditure account	(4)	28	337	-	-	<b>361</b>
Other comprehensive income	-	-	50,869	62	(45)	<b>50,886</b>
Transfer of amount equivalent to additional depreciation of fixed assets	-	-	1,955	-	(1,955)	-
Cumulative revaluation written back on investments	-	-	-	-	-	-
Release of restricted funds spent in year	(18)	(82)	100	-	-	-
<b>Total comprehensive income for the year</b>	<b>(22)</b>	<b>(54)</b>	<b>53,261</b>	<b>62</b>	<b>(2,000)</b>	<b>51,247</b>
<b>Balance at 31 July 2023</b>	<b>296</b>	<b>445</b>	<b>207,507</b>	<b>14</b>	<b>66,011</b>	<b>274,273</b>

Consolidated and University Statement of Changes in Reserves (continued)  
For the year ended 31 July 2023

University	Income and expenditure reserve			Foreign currency translation reserve £000	Revaluation reserve £000	Total £000
	Endowment £000	Restricted £000	Unrestricted £000			
<b>Balance at 1 August 2021</b>	<b>417</b>	<b>501</b>	<b>59,196</b>	-	<b>70,556</b>	<b>130,670</b>
Surplus/(deficit) from the income and expenditure account	(44)	197	2,279	-	-	<b>2,432</b>
Other comprehensive income	-	-	105,650	-	-	<b>105,650</b>
Transfer of amount equivalent to additional depreciation of fixed assets	-	-	1,955	-	(1,955)	-
Cumulative revaluation written back on investments	-	-	590	-	(590)	-
Release of restricted funds spent in year	(55)	(199)	254	-	-	-
<b>Total comprehensive income for the year</b>	<b>(99)</b>	<b>(2)</b>	<b>110,728</b>	-	<b>(2,545)</b>	<b>108,082</b>
<b>Balance at 1 August 2022</b>	<b>318</b>	<b>499</b>	<b>169,924</b>	-	<b>68,011</b>	<b>238,752</b>
Surplus/(deficit) from the income and expenditure account	(4)	28	(14,636)	-	-	<b>(14,612)</b>
Other comprehensive income	-	-	50,869	-	(45)	<b>50,824</b>
Transfer of amount equivalent to additional depreciation of fixed assets	-	-	1,955	-	(1,955)	-
Cumulative revaluation written back on investments	-	-	-	-	-	-
Release of restricted funds spent in year	(18)	(82)	100	-	-	-
<b>Total comprehensive income for the year</b>	<b>(22)</b>	<b>(54)</b>	<b>38,288</b>	-	<b>(2,000)</b>	<b>36,212</b>
<b>Balance at 31 July 2023</b>	<b>296</b>	<b>445</b>	<b>208,212</b>	-	<b>66,011</b>	<b>274,964</b>

Consolidated and University Balance Sheet  
As at 31 July 2023

	Note	Consolidated 2023 £000	University 2023 £000	Consolidated 2022 £000	University 2022 £000
<b>Non-current assets</b>					
Fixed assets	11	171,084	170,329	176,433	175,495
Investments	12	3,378	3,588	3,572	3,782
Pension Asset	27	82,016	82,016	32,790	32,790
		<b>256,478</b>	<b>255,933</b>	<b>212,795</b>	<b>212,067</b>
<b>Current assets</b>					
Stocks		476	476	684	684
Trade and other receivables	14	31,053	31,439	17,157	32,290
Investments	15	62,055	62,000	50,058	50,000
Cash and cash equivalents	22	12,238	11,159	19,985	18,194
		<b>105,822</b>	<b>105,074</b>	<b>87,884</b>	<b>101,168</b>
Less: Creditors: amounts falling due within one year	16	(58,366)	(56,382)	(56,747)	(53,577)
Net current (liabilities)/assets		<b>47,456</b>	<b>48,692</b>	<b>31,137</b>	<b>47,591</b>
Total assets less current liabilities		<b>303,934</b>	<b>304,625</b>	<b>243,932</b>	<b>259,658</b>
Creditors: amounts falling due after more than one year	17	(8,255)	(8,255)	(11,456)	(11,456)
<b>Provisions</b>					
Pension provisions	19	(9,881)	(9,881)	(9,270)	(9,270)
Other provisions	19	(11,525)	(11,525)	(180)	(180)
<b>Total net assets</b>		<b>274,273</b>	<b>274,964</b>	<b>223,026</b>	<b>238,752</b>
<b>Restricted reserves</b>					
Income and expenditure reserve - endowment reserve	20	296	296	318	318
Income and expenditure reserve - restricted reserve	21	445	445	499	499
<b>Unrestricted reserves</b>					
Income and expenditure reserve - unrestricted reserve		207,507	208,212	154,246	169,924
Foreign currency investment translation reserve		14	-	(48)	-
Revaluation reserve		66,011	66,011	68,011	68,011
<b>Total funds</b>		<b>274,273</b>	<b>274,964</b>	<b>223,026</b>	<b>238,752</b>

The accompanying notes form an integral part of the financial statements. The financial statements on pages 38 to 69 were approved by the University Court on 14 December 2023 and signed on its behalf by:

Mr Rob Woodward  
Chair of University Court



Professor Stephen Decent  
Principal and Vice-Chancellor



Consolidated Statement of Cash Flows  
For the year ended 31 July 2023

	Note	2023 £000	2022 £000
<b>Cash flow from operating activities</b>			
Deficit for the year		361	(268)
<b>Adjustment for non-cash items</b>			
Depreciation	11	6,084	6,095
Pension costs less contribution payable		2,742	10,713
Gain on investments		64	100
Decrease in stock		208	(441)
(Increase) in debtors		(13,896)	(3,689)
Increase in creditors		1,619	15,739
(Decrease) in pension provision		(299)	(1,150)
(Decrease) in other provisions		(60)	(60)
Increase in GNYC Provision		11,285	-
<b>Adjustment for investing or financing activities</b>			
Deferred capital grants released to income	18	(457)	(457)
Investment income	5	(2,223)	(291)
Interest and other finance costs	8	(946)	1,350
Profit from sale of non-current asset investments		-	-
Loss on disposal of asset under construction		-	-
Capital grant income		(1,042)	(1,276)
<b>Net cash inflow from operating activities</b>		<b>3,440</b>	<b>26,365</b>
<b>Cash flows from investing activities</b>			
Disposal of non-current asset investments		-	-
(Increase) in deposits		(12,000)	(26,008)
Investment income		1,721	191
Payments made to acquire fixed assets		(885)	(2,355)
New non-current asset investments		-	-
Capital grant income		2,734	1,294
<b>Total cash flows from investing activities</b>		<b>(8,430)</b>	<b>(26,878)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(5)	(274)
Repayments of amounts borrowed		(4,742)	(766)
Loans advanced		2,000	-
<b>Total cash flows from financing activities</b>		<b>(2,747)</b>	<b>(1,040)</b>
<b>(Decrease) in cash and cash equivalents in the year</b>		<b>(7,737)</b>	<b>(1,553)</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>19,985</b>	<b>21,500</b>
<b>Effects of foreign currency translation on cash and cash equivalents</b>		<b>(10)</b>	<b>38</b>
<b>Cash and cash equivalents at end of the year</b>		<b>12,238</b>	<b>19,985</b>

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements  
For the year ended 31 July 2023

1	Funding Council grants	Consolidated	University	Consolidated	University
		2023	2023	2022	2022
		£000	£000	£000	£000
	<b>Recurrent grants</b>				
	General Fund - Teaching	68,863	68,863	67,022	67,022
	General Fund - Research and Knowledge Exchange	6,176	6,176	5,845	5,845
	<b>Specific grants</b>				
	Strategic Funding	923	923	1,581	1,581
	Release of deferred capital grants (note 18)	457	457	457	457
	Capital Maintenance grants	2,735	2,735	1,350	1,350
		<b>79,154</b>	<b>79,154</b>	<b>76,255</b>	<b>76,255</b>
2	<b>Tuition fees and education contracts</b>	<b>Consolidated</b>	<b>University</b>	<b>Consolidated</b>	<b>University</b>
		2023	2023	2022	2022
		£000	£000	£000	£000
	Scottish and EU fees	27,528	27,528	31,184	31,184
	Rest of UK fees	1,691	1,691	1,872	1,872
	Non-EU fees (International)	47,684	47,107	23,156	22,607
	Research training support grants	161	161	117	117
	Non-credit bearing course fees	1,539	1,499	1,353	1,308
	Education contracts	2,943	2,475	1,743	1,313
		<b>81,546</b>	<b>80,461</b>	<b>59,425</b>	<b>58,401</b>
3	<b>Research grants and contracts</b>	<b>Consolidated</b>	<b>University</b>	<b>Consolidated</b>	<b>University</b>
		2023	2023	2022	2022
		£000	£000	£000	£000
	Research councils	525	525	303	303
	Research charities	795	774	661	656
	Government (UK and overseas)	4,675	4,504	4,264	4,206
	Industry and commerce	387	149	478	329
	Release of deferred capital grants (note 18)	-	-	-	-
	Other	104	97	95	95
		<b>6,486</b>	<b>6,049</b>	<b>5,801</b>	<b>5,589</b>

This sum includes Industrial and Government-funded research grants and contracts. It excludes SFC funding for research shown in note 1.

Notes to the Financial Statements (continued)  
For the year ended 31 July 2023

4	<b>Other income</b>	<b>Consolidated</b>	<b>University</b>	Consolidated	University
		<b>2023</b>	<b>2023</b>	2022	2022
		<b>£000</b>	<b>£000</b>	£000	£000
	Residences, catering and conferences	4,792	4,792	4,073	4,073
	Other income	4,594	4,803	5,784	5,860
		<b>9,386</b>	<b>9,595</b>	<b>9,857</b>	<b>9,933</b>
5	<b>Investment income</b>	<b>Consolidated</b>	<b>University</b>	Consolidated	University
		<b>2023</b>	<b>2023</b>	2022	2022
		<b>£000</b>	<b>£000</b>	£000	£000
	Investment income on endowments	6	6	7	7
	Other investment income	2,217	2,172	284	260
		<b>2,223</b>	<b>2,178</b>	<b>291</b>	<b>267</b>
6	<b>Donations and endowments</b>	<b>Consolidated</b>	<b>University</b>	Consolidated	University
		<b>2023</b>	<b>2023</b>	2022	2022
		<b>£000</b>	<b>£000</b>	£000	£000
	Donations with restrictions	26	26	197	197
	Unrestricted donations	529	529	407	407
		<b>555</b>	<b>555</b>	<b>604</b>	<b>604</b>
7	<b>Staff costs</b>	<b>Consolidated</b>	<b>University</b>	Consolidated	University
		<b>2023</b>	<b>2023</b>	2022	2022
		<b>£000</b>	<b>£000</b>	£000	£000
	Salaries	78,450	76,664	71,048	69,558
	Social security and other taxes	8,739	8,594	7,934	7,876
	Movement on USS provision	910	910	3,513	3,513
	Other pension costs	17,008	16,905	23,921	23,832
		<b>105,107</b>	<b>103,073</b>	<b>106,416</b>	<b>104,779</b>
	<b>Emoluments of the out-going Principal and Vice-Chancellor (1st August - 31st December 2022)</b>			<b>2023</b>	2022
				<b>£000</b>	£000
	Salary			113	237
	Payments in lieu of pension contributions			14	36
	Performance related payment			-	-
	Benefits in kind			2	4
				<b>129</b>	<b>277</b>



Notes to the Financial Statements (continued)  
For the year ended 31 July 2023

7 **Staff costs (continued)**

<b>Emoluments of the incoming Principal and Vice-Chancellor (1st January - 31st July 2023)</b>	<b>2023 £000</b>	<b>2022 £000</b>
Salary	125	-
Payments in lieu of pension contributions	26	-
Performance related payment	-	-
Benefits in kind	3	-
	<b>154</b>	<b>-</b>

The remuneration of the Principal in the academic year 2022/23 was 4.8 times the median remuneration of the workforce, which was £47,047. There had been a cost of living increase in August 2022 of at least 3% applied to all staff.

<b>Remuneration of other higher paid staff, excluding employers' pension contributions where applicable</b>	<b>2023 Number</b>	<b>2022 Number</b>
£100,000 - £109,999	8	6
£110,000 - £119,999	6	4
£120,000 - £129,999	2	2
£130,000 - £139,999	2	1
£140,000 - £149,999	3	1
£150,000 - £159,999	-	3
£160,000 - £169,999	2	1
£170,000 - £179,999	1	-
£180,000 - £189,999	-	-
£190,000 - £199,999	-	-
£200,000 - £209,999	-	1
£210,000 - £219,999	1	-

Included in the above table are amounts payable in foreign currencies that are retranslated to Sterling at rates applicable at the time of payment.

<b>Average staff numbers by major category</b>	<b>2023 Number</b>	<b>2022 Number</b>
Academic	739	715
Administrative	630	600
Technical	54	54
Others	91	88
	<b>1,514</b>	<b>1,457</b>

Notes to the Financial Statements (continued)  
For the year ended 31 July 2023

7 **Staff costs (continued)**

**Severance costs**

There were no staff leaving the University through severance.

	<b>2023</b>	2023
	<b>£000</b>	£000
Academic	-	-
Administrative	-	-
Technical and Others	-	-
Associated costs (non-payroll)	-	-
	<b>-</b>	<b>-</b>

**Key management personnel**

Key management personnel are those persons in addition to the Principal and Vice-Chancellor having authority and responsibility for planning, directing and controlling the activities of the University. The University considers members of its Executive, as key management personnel. Staff costs include compensation paid to key management personnel. Compensation consists of salary and benefits including employer's pension contributions, where applicable and excludes payments for loss of office.

	<b>2023</b>	2022
	<b>£000</b>	£000
Key management personnel compensation (excluding Principal and Vice-Chancellor as disclosed separately)	<b>1,390</b>	996

**Court Members**

No Court member has received any remuneration relating to their membership of Court from the University during 2022/23 (2021/22: none).

The total expense paid to or on behalf of Court members was £82.9k (2022: £83.7k). This represents training and development, travel and subsistence costs incurred in attending Court, Committee meetings and events in their official capacity.

8 <b>Interest and other finance costs</b>	<b>Consolidated</b>	<b>University</b>	Consolidated	University
	<b>2023</b>	<b>2023</b>	2022	2022
	<b>£000</b>	<b>£000</b>	£000	£000
Loan interest	<b>(32)</b>	<b>(32)</b>	260	260
Net charge on pension scheme (note 28)	<b>(1,099)</b>	<b>(1,099)</b>	1,062	1,062
Finance expense USS	<b>185</b>	<b>185</b>	28	28
	<b>(946)</b>	<b>(946)</b>	1,350	1,350

Notes to the Financial Statements (continued)  
For the year ended 31 July 2023

9	<b>Analysis of total expenditure by activity</b>	<b>Consolidated</b>	<b>University</b>	Consolidated	University
		<b>2023</b>	<b>2023</b>	2022	2022
		<b>£000</b>	<b>£000</b>	£000	£000
	Academic and related services	99,613	101,089	92,581	94,035
	Administration and central services	47,222	60,343	25,875	23,412
	Premises	19,636	17,698	15,457	13,657
	Residences, catering and conferences	3,714	3,715	3,407	3,407
	Research grants and contracts	6,616	6,299	6,081	5,865
	Other expenses	2,080	3,352	10,848	8,071
		<b>178,881</b>	<b>192,496</b>	154,249	148,447

**Other operating expenses (including VAT) include:**

	<b>Consolidated</b>	<b>University</b>	Consolidated	University
	<b>2023</b>	<b>2023</b>	2022	2022
	<b>£000</b>	<b>£000</b>	£000	£000
<b>Auditor's remuneration</b>				
External auditor's remuneration in respect of audit services	179	165	135	121
External auditor's remuneration in respect of subsidiaries (non-KPMG)	46	-	40	-
Internal auditor's remuneration in respect of audit services	230	230	137	137

Notes to the Financial Statements (continued)  
For the year ended 31 July 2023

10 **Taxation**

As an exempt charity the University is potentially exempt from taxation in respect of income or capital gains received within categories covered 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

Current tax expense includes overseas tax in relation to the University's collaboration activities in Oman with the National University of Science and Technology (NUST), in Mauritius with the African Leadership College and in China with the University of Jinan for which Corporation Tax is due.

	<b>2023</b>	2022
	<b>£000</b>	£000
Current tax expense	41	64
Adjustment in respect of previous years	3	6
<b>Total tax charge</b>	<b>44</b>	<b>70</b>

11 **Fixed assets**

<b>Consolidated</b>	<b>Land &amp; buildings</b>	<b>Assets under construction</b>	<b>Plant &amp; equipment</b>	<b>Fixtures, fittings &amp; furniture</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost or valuation</b>					
At 1 August 2022	205,787	608	28,066	6,068	<b>240,529</b>
Exchange movement	(114)	-	(33)	(8)	<b>(155)</b>
Additions	-	785	-	-	<b>785</b>
Disposals	-	-	(255)	-	<b>(255)</b>
Transfers	-	(1,393)	1,393	-	-
<b>At 31 July 2023</b>	<b>205,673</b>	<b>-</b>	<b>29,171</b>	<b>6,060</b>	<b>240,904</b>
<b>Depreciation</b>					
At 1 August 2022	39,246	-	19,281	5,569	<b>64,096</b>
Exchange movement	(64)	-	(33)	(8)	<b>(105)</b>
Charge for year	4,287	-	1,655	142	<b>6,084</b>
Disposals	-	-	(255)	-	<b>(255)</b>
Transfers	-	-	-	-	-
<b>At 31 July 2023</b>	<b>43,469</b>	<b>-</b>	<b>20,648</b>	<b>5,703</b>	<b>69,820</b>
<b>Net Book Value</b>					
<b>At 31 July 2023</b>	<b>162,204</b>	<b>-</b>	<b>8,523</b>	<b>357</b>	<b>171,084</b>
At 31 July 2022	166,541	608	8,785	499	176,433

Notes to the Financial Statements (continued)  
For the year ended 31 July 2023

11 Fixed assets (continued)

University	Land & buildings £000	Assets under construction £000	Plant & equipment £000	Fixtures, fittings & furniture £000	Total £000
<b>Cost or valuation</b>					
At 1 August 2022	203,682	608	27,455	5,917	<b>237,662</b>
Additions	-	785	-	-	<b>785</b>
Disposals	-	-	(255)	-	<b>(255)</b>
Transfers	-	(1,393)	1,393	-	-
<b>At 31 July 2023</b>	<b>203,682</b>	<b>-</b>	<b>28,593</b>	<b>5,917</b>	<b>238,192</b>
<b>Depreciation</b>					
At 1 August 2022	38,082	-	18,670	5,415	<b>62,167</b>
Charge for year	4,153	-	1,656	142	<b>5,951</b>
Disposals	-	-	(255)	-	<b>(255)</b>
Transfers	-	-	-	-	-
<b>At 31 July 2023</b>	<b>42,235</b>	<b>-</b>	<b>20,071</b>	<b>5,557</b>	<b>67,863</b>
<b>Net Book Value</b>					
<b>At 31 July 2023</b>	<b>161,447</b>	<b>-</b>	<b>8,522</b>	<b>360</b>	<b>170,329</b>
At 31 July 2022	165,600	608	8,785	502	175,495

At 31 July 2023, land and buildings included £12.3m (2022: £12.3m) in respect of the net book value of freehold land and is not depreciated.

Buildings with a deemed cost of £1.7m (2022: £1.7m) and accumulated depreciation of £696k (2022: £627k) are held for use in an operating lease. The institution is acting as a lessor to British Transport Police.

Buildings with a net book value of £39.5m have been funded from Treasury sources: should these particular buildings be sold, the University would either have to surrender the proceeds to the Treasury or use them in accordance with the Financial Memorandum with the Scottish Funding Council.

Notes to the Financial Statements (continued)  
For the year ended 31 July 2023

12 Non-current investments

Consolidated	Subsidiary	Investments	Other	Total
	companies	in spinouts	fixed asset	
	£000	£000	investments	£000
At 1 August 2022	-	-	3,572	3,572
Additions	-	-	1,538	1,538
Disposals	-	-	(1,668)	(1,668)
(Decrease) in market value of investments	-	-	(64)	(64)
<b>At 31 July 2023</b>	<b>-</b>	<b>-</b>	<b>3,378</b>	<b>3,378</b>

University	Subsidiary	Investments	Other	Total
	companies	in spinouts	fixed asset	
	£000	£000	investments	£000
At 1 August 2022	210	-	3,572	3,782
Additions	-	-	1,538	1,538
Disposals	-	-	(1,668)	(1,668)
(Decrease) in market value of investments	-	-	(64)	(64)
<b>At 31 July 2023</b>	<b>210</b>	<b>-</b>	<b>3,378</b>	<b>3,588</b>

Investments in subsidiary companies and investments in projects emanating from the University's research activities which are considered to merit commercial development (spin-out company investments) are stated at the lower of cost and net realisable value.

Other fixed asset investments are stated at market value and include treasury index linked stocks earmarked to provide the enhanced element of the pensions to those employees who retired in 1995/96 under the Scottish Higher Education Funding Council "New Blood" scheme. The historical cost of these investments was £2.2m. Also included in other fixed asset investments are equity investments held for endowments (note 20).



12 **Non-current investments (continued)**

The University's subsidiary companies are:

The University owns 100% of Glasgow Caledonian University Company Limited, which is regarded as a subsidiary undertaking. It was incorporated to develop and control the commercial exploitation of certain non-recurrent grant activities relating mainly to consultancy assignments and short courses. Costs incurred by the University in respect of work undertaken by the subsidiary undertaking are recharged to the company. The investment in this subsidiary undertaking represents 110,000 £1 ordinary shares in Glasgow Caledonian University Company Limited. At 31 July 2023 £686k Gift Aid is payable by the Company to the University (2022: £471k).

Previously, the University owned 100% of GCU INTO Limited, which was established in order to operate the joint venture arrangements of INTO Scotland LLP. This investment represented 100 £1 ordinary shares and 949,900 £1 redeemable preference shares. After the University took the decision to cease its relationship with the INTO JV partnership, both INTO Scotland LLP and GCU INTO Ltd took steps to dissolve. A dissolution agreement was signed on 21st December 2021 with both parties being released from any obligations, liabilities and guarantees under the Transaction Document. Final Tax returns were filed with HMRC as at 30th April 2022.

The University owns 100% of GCU Academy Limited. The company was established to operate courses, designed specifically for individual organisations, which lead to a university-level qualification. This investment represents 100,000 £1 ordinary shares. Costs incurred by the University in respect of work undertaken by the subsidiary undertaking are recharged to the company. At 31 July 2023 £92k Gift Aid is payable by GCU Academy to the University (2022: £44k).

The University controls 100% of Glasgow Caledonian New York College (GCNYC). This non-stock corporation was incorporated in June 2017 after the Board of Regents of NYSED granted a Provisional Charter allowing it to operate as a college in the State of New York. The organisation has the authority to offer programs that will lead to the Master of Science (M.S.) degree qualification. The University entered into a loan agreement to lend a maximum aggregate of \$30.7m to GCNYC, at an interest rate for each advance being the lesser of 2.5% or the highest rate permitted by applicable law. At 31 July 2023 \$28.1m (£21.9m) (2022: \$28.1m (£23.1m)) of this loan had been drawn down. During 2022/23 the University took the decision to fully impair the loan value based on the Court's decision to pause recruitment and to seek a partner to exit the University's commitments to the College. The University will continue to meet the liabilities of the College throughout this process and will ensure that all commitments made to GCNYC students are met. No adjustment has been made in GCNYC as the loan remains payable by GCNYC to GCU. During 2022/23 the University made a grant award to GCNYC of c\$4.6m (c£3.9m) (2022: c\$4.5m (c£3.4m)).

In September 2013 GCU agreed a Standby Letter of Credit for \$2.25m in respect of the leasehold property in New York. A further Standby Letter of Credit for \$410k was agreed in May 2019 in respect of the Title IV application with the Department of Education in New York.

Notes to the Financial Statements (continued)  
For the year ended 31 July 2023

13 **Investment in Joint venture**

On 28 May 2008 the University entered into a Limited Liability Partnership Agreement, INTO Scotland LLP, with INTO University Partnerships Limited. GCU INTO Limited held a 50% share of INTO Scotland LLP. The remaining 50% share of INTO Scotland LLP was owned by Newincco821 Limited, a wholly owned subsidiary of INTO University Partnerships Limited.

After the University took the decision to cease its relationship with the INTO JV partnership, both INTO Scotland LLP and GCU INTO Ltd took steps to dissolve. A dissolution agreement was signed on 21st December 2021 with both parties being released from any obligations, liabilities and guarantees under the Transaction Document. Final Tax returns were filed with HMRC as at 30th April 2022.

14 <b>Trade and other receivables</b>	<b>Consolidated</b>	<b>University</b>	Consolidated	University
	<b>2023</b>	<b>2023</b>		
	<b>£000</b>	<b>£000</b>	2022	2022
			£000	£000
Amounts falling due within one year:				
Other trade receivables	<b>31,304</b>	<b>30,966</b>	11,887	11,517
Other receivables	<b>(473)</b>	<b>(489)</b>	153	147
Provision for bad and doubtful debts	<b>(8,670)</b>	<b>(8,670)</b>	(3,941)	(3,941)
Prepayments and accrued income	<b>8,892</b>	<b>8,844</b>	9,058	8,958
Amounts due from subsidiary companies	-	<b>788</b>	-	523
Amounts falling due after more than one year	-	-	-	15,086
	<b>31,053</b>	<b>31,439</b>	17,157	32,290

During 2022/23 the University took the decision to fully impair the loan due from GCNYC value \$28.1m (£21.9m) (2021/22: \$28.1m (£23.1m)) based on the Court's decision to pause recruitment and to seek a partner to exit the University's commitments to the College. Consequently, the University considers it unlikely that the loan amounts extended will be recoverable either in the term of continued teaching by GCNYC while owned by the University or subsequently by a new partner/operator.

15 <b>Current investments</b>	<b>Consolidated</b>	<b>University</b>	Consolidated	University
	<b>2023</b>	<b>2023</b>		
	<b>£000</b>	<b>£000</b>	2022	2022
			£000	£000
Short term deposits	<b>62,055</b>	<b>62,000</b>	50,058	50,000

Deposits, held with banks and building societies operating in the London market and authorised by the Financial Services Authority, have more than three months maturity at the date of investment. The interest rates for these deposits are fixed for the duration of the deposit at the time of placement.

At 31 July 2023 the weighted average interest rate of these fixed rate deposits was 4.85% per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 103 days. The fair value of these deposits was not materially different from the book value.

Notes to the Financial Statements (continued)  
For the year ended 31 July 2023

16	<b>Creditors: amounts falling due within one year</b>	<b>Consolidated</b>	<b>University</b>	Consolidated	University
		<b>2023</b>	<b>2023</b>	2022	2022
		<b>£000</b>	<b>£000</b>	£000	£000
	Unsecured loans	286	286	804	804
	Trade payables	7,381	7,341	5,910	5,747
	Social security and other taxation payable	2,204	2,204	1,990	1,990
	Amounts owing to subsidiary companies	-	174	-	-
	Accruals and deferred income	48,495	46,377	48,043	45,036
		<b>58,366</b>	<b>56,382</b>	<b>56,747</b>	<b>53,577</b>

Included in accruals and deferred income are deferred capital grants to be released within one year of £457k (2021/22: £457k).

17	<b>Creditors: amounts falling due after more than one year</b>	<b>Consolidated</b>	<b>University</b>	Consolidated	University
		<b>2023</b>	<b>2023</b>	2022	2022
		<b>£000</b>	<b>£000</b>	£000	£000
	Unsecured loans	1,643	1,643	4,387	4,387
	Deferred income – deferred capital grants	6,612	6,612	7,069	7,069
		<b>8,255</b>	<b>8,255</b>	<b>11,456</b>	<b>11,456</b>

**Creditors: amounts falling due after more than one year (continued)**

	<b>Consolidated</b>	<b>University</b>	Consolidated	University
	<b>2023</b>	<b>2023</b>	2022	2022
	<b>£000</b>	<b>£000</b>	£000	£000
<b>Analysis of unsecured loans:</b>				
<b>Due within one year (Note 16)</b>	<b>286</b>	<b>286</b>	804	804
Due between one to two years	286	286	842	842
Due between two and five years	857	857	2,783	2,783
Due in five years or more	500	500	762	762
<b>Due after more than one year</b>	<b>1,643</b>	<b>1,643</b>	4,387	4,387
<b>Total unsecured loans</b>	<b>1,929</b>	<b>1,929</b>	5,191	5,191

The remaining balance from an unsecured bank loan of £10m (2022: £10m) from the Lloyds Banking Group backed by the European Investment Bank was repaid in November 2022.

The University, during 2022/23, entered into a loan agreement with the Scottish Funding Council for an amount of £2m (2022: £nil). This was following a successful application to the University Financial Transactions Programme.

Notes to the Financial Statements (continued)  
For the year ended 31 July 2023

18 Deferred capital grants

	Consolidated & University		
	Buildings £000	Equipment £000	Total £000
<b>At 1 August 2022</b>			
Funding Council	5,855	1,673	7,528
Other	-	-	-
	<b>5,855</b>	<b>1,673</b>	<b>7,528</b>
<b>Cash receivable</b>			
Funding Council	-	-	-
Other	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>
<b>Released to income and expenditure account</b>			
Funding Council	(305)	(152)	(457)
Other	-	-	-
	<b>(305)</b>	<b>(152)</b>	<b>(457)</b>
<b>At 31 July 2023</b>			
Funding Council	5,550	1,521	7,071
Other	-	-	-
	<b>5,550</b>	<b>1,521</b>	<b>7,071</b>

Notes to the Financial Statements (continued)  
For the year ended 31 July 2023

19 Provisions for liabilities

Consolidated	USS pension £000	Defined benefit obligation (note 27) £000	Early retirement pension £000	Total pension provisions £000	Total other £000
At 1 August 2022	5,346	-	3,924	9,270	180
Utilised in year	-	-	(454)	(454)	-
Additions in year	1,095	-	-	1,095	11,345
Unused amounts reversed in year	-	-	(30)	(30)	-
<b>At 31 July 2023</b>	<b>6,441</b>	<b>-</b>	<b>3,440</b>	<b>9,881</b>	<b>11,525</b>

University	USS pension £000	Defined benefit obligation (note 27) £000	Early retirement pension £000	Total pension provisions £000	Total other £000
At 1 August 2022	5,346	-	3,924	9,270	180
Utilised in year	-	-	(454)	(454)	-
Additions in year	1,095	-	-	1,095	11,345
Unused amounts reversed in year	-	-	(30)	(30)	-
<b>At 31 July 2023</b>	<b>6,441</b>	<b>-</b>	<b>3,440</b>	<b>9,881</b>	<b>11,525</b>

**USS pension**

This represents the University's obligation to fund its share of the past deficit on the Universities Superannuation Scheme (USS). It arises from the contractual obligation with the pension scheme for the total payments relating to benefits arising from past performance. Management has assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

**Early retirement pension**

The assumptions for calculating the provision for pension enhancements on termination under FRS 102 are as follows:

	%
Discount rate	<b>5.10</b>
Inflation	<b>3.0</b>

**Other provisions**

Within the 'Other' provision is a value of £0.2m (2021/22 £0.2m) which represents the future obligations in respect of the University's leasehold dilapidations and representing the cost of restoring the leasehold building to its original condition.

During the year the University took the decision to seek to exit the financial liabilities linked to Glasgow Caledonian New York College, preferably by identifying a suitable partner to ensure the future of the College. As a result of this decision, obligations arising as a result of previous commitments, including to existing GCNYC students, staff, and primarily relating to the property lease have been identified and provided for in the amount of £11.3m in 2022/23 (2021/22 £nil).

Notes to the Financial Statements (continued)  
For the year ended 31 July 2023

20 Endowment Reserves

	Restricted permanent endowments £000	Unrestricted permanent endowments £000	Expendable endowments £000	2023 £000	2022 £000
At 1 August					
Capital	283	8	72	363	374
Accumulated income	9	-	(54)	(45)	43
	292	8	18	318	417
Investment income	5	-	2	7	8
Expenditure	-	-	(18)	(18)	(97)
Increase/(decrease) in market value of investments	(6)	-	(5)	(11)	(10)
<b>Total endowment comprehensive income for the year</b>	<b>(1)</b>	<b>-</b>	<b>(21)</b>	<b>(22)</b>	<b>(99)</b>
<b>At 31 July</b>	<b>291</b>	<b>8</b>	<b>(3)</b>	<b>296</b>	<b>318</b>
<b>Represented by:</b>					
Capital	277	8	67	352	363
Accumulated income	14	-	(70)	(56)	(45)
	291	8	(3)	296	318
<b>Analysis by purpose:</b>					
Scholarships and bursaries	6	-	(3)	3	22
Prize funds	285	-	-	285	287
Other	-	8	-	8	9
	291	8	(3)	296	318
<b>Analysis by asset:</b>					
Non-current asset investment				236	254
Cash and cash equivalents				60	64
				296	318



Notes to the Financial Statements (continued)  
For the year ended 31 July 2023

21 **Restricted reserves**

	<b>2023</b>	2022
	<b>£000</b>	£000
At 1 August	499	501
New donations	28	197
Expenditure	(82)	(199)
<b>Total restricted comprehensive income for the year</b>	<b>445</b>	499
<b>At 31 July</b>	<b>445</b>	499
<b>Analysis by purpose:</b>		
Scholarships and bursaries	397	445
Prize funds	-	-
Other	48	54
	<b>445</b>	499

22 **Cash and cash equivalents**

<b>Consolidated</b>	<b>At 1 August</b>	<b>Cash flows</b>	<b>At 31 July</b>
	<b>2022</b>	<b>£000</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cash and cash equivalents	19,985	(7,747)	<b>12,238</b>

23 **Capital and other commitments**

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

	<b>Consolidated</b>	<b>University</b>	Consolidated	University
	<b>2023</b>	<b>2023</b>	2022	2022
	<b>£000</b>	<b>£000</b>	£000	£000
Commitments contracted for	6,788	6,788	1,627	1,627
Authorised but not contracted for	1,264	1,264	6,262	6,262
	<b>8,052</b>	<b>8,052</b>	7,889	7,889

Notes to the Financial Statements (continued)  
For the year ended 31 July 2023

24 **Lease obligations**

Total rentals payable under operating leases:

	Land and buildings £000	Plant and machinery £000	Other leases £000	2023 £000	2022 £000
<b>Payable during the year</b>	<b>1,471</b>	<b>121</b>	<b>16</b>	<b>1,608</b>	1,587
<b>Future minimum lease payments due:</b>					
Not later than one year	2,706	121	3	<b>2,830</b>	3,169
Later than one year and not later than five years	10,826	275	-	<b>11,101</b>	11,659
Later than five years	3,829	-	-	<b>3,829</b>	6,665
	<b>17,361</b>	<b>396</b>	<b>3</b>	<b>17,760</b>	21,493

25 **Events after the reporting period**

There were no events after the reporting period which would require disclosure within these financial statements.

26 **Subsidiary undertakings**

The subsidiary companies, wholly-owned or effectively controlled by the University, are as follows:

Company	Principal Activity	Status	Registered
Glasgow Caledonian University Company Limited	The provision of training, consultancy and research	100% owned	Scotland
GCU Academy Limited	The provision of courses, designed specifically for individual organisations, which provide a university level education leading to a qualification	100% owned	Scotland
GCU Nominee Company	Ownership of Heatherbank Museum assets	100% owned	Scotland
Glasgow Caledonian New York College (GCNYC)	The provision of Master of Science degree programs	100% controlled	New York, US

## 27 Pension schemes

The University participates in three defined benefit schemes, the Universities Superannuation Scheme (USS), the Strathclyde Pension Fund (SPF) and the Scottish Teachers Superannuation Scheme (STSS). All schemes are subject to independent actuarial valuations.

GCNYC participates in a 401k defined contribution retirement plan.

The University contribution rates on eligible salary costs for the year to 31st July 2023 are:

	%
STSS	23.0%
SPF	19.3%
USS	21.6%

	2023 £000	2022 £000
The total pension costs for the year were:		
Normal contribution to:		
STSS - contributions paid	7,401	6,872
SPF - charge to income and expenditure account	5,544	5,201
FRS 102 pension costs	2,774	10,746
USS - contributions paid	1,257	1,065
401K plan - contributions paid	32	37
	<b>17,008</b>	<b>23,921</b>

With the exception of the Strathclyde Pension Fund, the University has utilised the provisions of FRS 102 whereby the contributions to the schemes be accounted for as if they were defined contribution schemes. As such, the costs recognised within the University's income and expenditure account will be equal to the contributions payable to the schemes in the year.

### The Strathclyde Pension Fund

The Strathclyde Pension Fund provides benefits for employees of local government and some other institutions. This scheme, a multi-employer defined benefits scheme, covers past and present employees.

A valuation of the University's benefit obligations 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 FRS 102 assumptions at 31 July 2023.

Notes to the Financial Statements (continued)  
For the year ended 31 July 2023

27 Pension schemes (continued)

The Strathclyde Pension Fund (continued)

Principal actuarial assumptions (expressed as weighted averages) at the end of the year were as follows:

**Financial assumptions**

The financial assumptions used to calculate scheme liabilities under FRS 102 are:

	<b>2023</b>	2022
Pension increase (RPI)	<b>3.15%</b>	3.15%
Pension increase (CPI)	<b>3.0%</b>	2.75%
Rate of increase in salaries	<b>4.35%</b>	3.25%*
Rate of increase of pensions	<b>10.1%</b>	3.1%
Discount rate	<b>5.05%</b>	3.5%

\* Composite salary increase assumption of 4.35% as at 31 July 2023 (6.50% p.a. until 31 July 2024, 5.0% p.a. until 31 July 2025 followed by 4.0% p.a. thereafter), taking account of the average term to retirement.

\* Composite salary increase assumption of 3.25% as at 31 July 2022 (3.0% p.a. until 31 July 2026 followed by 3.25% for the years to 31 July 2027 and 3.5% p.a. thereafter), taking account of the average term to retirement.

CPI assumption adjusted to recognise that the 2024 Pension Increase Order is currently expected to be higher than the single CPI assumption set for accounting purposes as at 31 July 2023. Specifically, the increase in the CPI index over the 9 months from September 2022 to June 2023 is 6.2%. Standard CPI assumptions at short, medium and long durations are 3.05%, 3.00% and 2.95% respectively.

**Mortality assumptions**

The life expectancies used to determine benefit obligations are:

	<b>Male</b>	<b>Female</b>
Current pensioners	19.3 years	22.2 years
Future pensioners	20.5 years	24.5 years

The expected return on assets has been derived as the weighted average of the expected returns from each of the main asset classes (i.e. equities and bonds). The expected return for each asset class reflects a combination of historical performance analysis, the forward looking views of the financial markets (as suggested by the yields available) and the views of investment organisations.

The assets in the scheme were:

	<b>2023</b>	2022	2021	2020	2019
	<b>£000</b>	£000	£000	£000	£000
Equities	<b>157,268</b>	158,033	161,690	127,112	132,339
Bonds	<b>69,611</b>	60,203	58,796	50,441	48,864
Property	<b>25,782</b>	27,593	22,048	22,194	20,360
Cash	<b>5,156</b>	5,017	2,448	2,018	2,035
	<b>257,817</b>	250,846	244,982	201,765	203,598
Weighted average expected long term rate of return	<b>5.0%</b>	3.5%	1.6%	1.4%	2.3%

Notes to the Financial Statements (continued)  
For the year ended 31 July 2023

27 Pension schemes (continued)

The Strathclyde Pension Fund (continued)

	2023 £000	2022 £000
<b>Analysis of the amount shown in the balance sheet for SPF:</b>		
Scheme assets	257,817	250,846
Scheme funded liabilities	(175,570)	(217,800)
Scheme unfunded liabilities	(231)	(256)
<b>Surplus in the scheme – net pension asset</b>	<b>82,016</b>	<b>32,790</b>
Current service costs	(8,350)	(15,983)
Past service costs (including curtailments)	-	-
<b>Total operating charge</b>	<b>(8,350)</b>	<b>(15,983)</b>
<b>Analysis of the amount charged to interest payable for SPF:</b>		
Interest cost	(7,729)	(5,003)
Expected return on assets	8,828	3,941
<b>Total net interest</b>	<b>1,099</b>	<b>(1,062)</b>
<b>Analysis of other comprehensive income for SPF:</b>		
Change in demographic assumptions	1,893	1,256
Change in financial assumptions	53,981	106,058
Other experience	(3)	(551)
Return on assets	(5,002)	(1,113)
<b>Total other comprehensive income before deduction for tax</b>	<b>50,869</b>	<b>105,650</b>
	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>Cumulative actuarial loss recognised as other comprehensive income:</b>		
Cumulative actuarial gains recognised at the start of the year	55,190	50,460
Cumulative actuarial gains recognised at the end of the year	106,059	55,190
	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>Analysis of movement in surplus:</b>		
<b>Deficit at beginning of year</b>	<b>32,790</b>	<b>(61,085)</b>
Contributions or benefits paid by the University	5,576	5,237
Contributions in respect of unfunded benefits	32	33
Current service cost	(8,350)	(15,983)
Past service costs (including curtailments)	-	-
Other finance charge	1,099	(1,062)
Gain recognised in other comprehensive income	50,869	105,650
<b>Surplus at end of year</b>	<b>82,016</b>	<b>32,790</b>

Notes to the Financial Statements (continued)  
For the year ended 31 July 2023

27 Pension schemes (continued)

The Strathclyde Pension Fund (continued)

	2023 £000	2022 £000
<b>Analysis of movement in the present value of SPF liabilities:</b>		
<b>At 1 August</b>	<b>218,056</b>	306,067
Current service cost (net of member contributions)	8,350	15,983
Past service costs (including curtailments)	-	-
Interest cost	7,729	5,003
Actual member contributions	1,906	1,805
Actuarial (gains)/ losses	(55,871)	(106,763)
Unfunded benefits paid	(32)	(33)
Actual benefits paid	(4,337)	(4,006)
<b>At 31 July</b>	<b>175,801</b>	<b>218,056</b>
	<b>2023 £000</b>	<b>2022 £000</b>
<b>Analysis of movement in the fair value of scheme assets:</b>		
<b>At 1 August</b>	<b>250,846</b>	244,982
Expected return on assets	8,828	3,941
Actuarial (loss) on assets	(5,002)	(1,113)
Actual contributions paid by the University	5,576	5,237
Actual contributions in respect of unfunded benefits	32	33
Actual member contributions	1,906	1,805
Unfunded benefits paid	(32)	(33)
Actual benefits paid	(4,337)	(4,006)
<b>At 31 July</b>	<b>257,817</b>	<b>250,846</b>

The university expects to contribute £5,544k to Strathclyde Pension Fund in 2023/24. There were no outstanding contributions at the balance sheet date (2022: nil);

The University is reporting a pension asset of £82.0m in relation to its share of assets and liabilities in the SPF. This surplus on the balance sheet was lower than the asset ceiling calculated at 31 July 2023 and therefore no restriction to the asset has been applied.

**The Scottish Teachers Superannuation Scheme**

The Scottish Teachers Superannuation Scheme provides benefits based on final pensionable salary for Scottish Teachers. The fund is administered by Scottish Public Pensions Agency.

The total cost charged to the Consolidated Statement of Comprehensive Income and Expenditure is £7,401k (2022: £6,872k). Contributions outstanding at the balance sheet date were nil (2022: nil).



27 Pension schemes (continued)

**Universities Superannuation Scheme**

The total cost charged to the income and expenditure account is £1,257k (2022: £1,065k). There were no outstanding contributions at the balance sheet date (2022: nil).

Deficit recovery contributions due within one year for the institution are £425k (prior year: £350k).

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

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

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

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles ([uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles](http://uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles)).

2023	
CPI assumption	<p><b>Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less:</b></p> <p><b>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</b></p>
Pension increases (subject to a floor of 0%)	<b>CPI assumption plus 0.05%</b>
Discount rate (forward rates)	<p><b>Fixed interest gilt yield curve plus:</b></p> <p><b>Pre-retirement: 2.75% p.a.</b></p> <p><b>Post retirement: 1.00% p.a</b></p>

Notes to the Financial Statements (continued)  
For the year ended 31 July 2023

27 Pension schemes (continued)

Universities Superannuation Scheme (continued)

The main demographic assumptions used relate 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:

2020 valuation	
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

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

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

	2023	2022
Discount rate	5.10%	3.45%
Pensionable salary growth	n/a	n/a
Pension Increases	3.00%	2.80%

28 **Disclosure of related party transactions**

Due to the nature of the University's operations and the composition of the University Court (being drawn from local public and private sector organisations), it's inevitable that transactions will take place with organisations in which a member of the university Court may have an interest. All transactions involving organisations in which a member of the University may have an interest are conducted at arm's length and in accordance with the University financial regulations and normal procurement procedures.

29 **Access funds**

	Childcare fund £000	Hardship fund £000	Nursing fund £000	International fund £000	Total £000
At 1 August 2022	273	-	1	-	274
Allocation received in year	443	704	91	46	1,284
Expenditure	(174)	(1,011)	(91)	(1)	(1,277)
Repaid by clawback	(261)	-	(1)	-	(262)
Virements	(262)	307	-	(45)	-
<b>At 31 July 2023</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19</b>
<b>Repayable as clawback</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>

Scottish Government grants are available solely for students. The University acts only as paying agent. The grants and related disbursements are therefore excluded from the income and expenditure account.

30 **Financial instruments**

**Risk management**

The University carefully monitors and manages the credit, liquidity, foreign currency and interest rate risk associated with the group's activities. These financial risks are managed within parameters specified by relevant risk and treasury management policies.

The University's treasury management policy governs all treasury management activities and sets out relevant policy objectives and control measures. It is reviewed and approved annually.

The group's principal financial instruments are cash, short term deposits and loans. The core objective of these financial instruments is to meet financing needs of the University's operations and capital investment. Additionally, the University has other financial assets and liabilities arising directly from its operations i.e. trade debtors and creditors.

30 **Financial instruments (continued)**

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the University. The University's credit risk arises from bank balances, investments, student debtors and commercial organisations as customers. Management of credit risk is a prime objective of the Treasury Management Policy.

At 31 July 2023, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet. The credit risk of liquid funds and financial instruments is limited because the counterparties are banks with investment grade ratings assigned by international credit-rating agencies. The University's exposure and the credit ratings of its counterparties are monitored regularly. The credit exposure is limited by counter party limits and minimum counter party credit ratings set within the Treasury Management Policy. Student and commercial debtors are reviewed on an on-going basis and a bad debt provision is made if recovery becomes uncertain. If a debtor is deemed irrecoverable it is written off. The concentration of risk is limited due to a large number of diverse customers across both student and commercial customer populations.

**Liquidity risk**

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities. Formal cash flow forecasts are developed, monitored and updated to ensure that adequate working capital is available and excess funds are invested to reduce the carrying cost of funds.

At 31 July 2023, the group is holding cash deposits, none of which have a maturity period greater than 12 months.

**Foreign currency risk**

Foreign currency risk refers to the risk that unfavourable movement in exchange rates may cause financial loss to the University. The group is exposed to currency risk on transactions and balances that are denominated in currencies other than sterling. Whenever practical, the University enters into agreements in its functional currency in order to minimise currency risks.

At 31 July 2023 the group is exposed to currency risks from its activities conducted overseas but does not enter into any hedge arrangements. The principal foreign currency exposure is to the US dollar and euro.

**Interest rate risk**

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations of the value of balance sheet items (i.e. price risk) or changes in interest income or expenses (i.e. re-investments risk).

At 31 July 2023 balance sheet values of deposits and cash at bank and in hand are not materially exposed to changes in interest rates. The interest rate attached to the loan facility is fixed over the term.

**Financial instruments – fair values**

The fair values of each category of the University's financial instruments are the same as their carrying value in the balance sheet.

	<b>Consolidated</b>	<b>University</b>	Consolidated	University
	<b>2023</b>	<b>2023</b>	2022	2022
	<b>£000</b>	<b>£000</b>	£000	£000
Trade debtors and other receivables	<b>31,053</b>	<b>31,439</b>	17,157	32,290
Cash and cash equivalents	<b>12,238</b>	<b>11,159</b>	19,985	18,194
Current investments	<b>62,055</b>	<b>62,000</b>	50,058	50,000
Trade creditors and other payables	<b>(66,621)</b>	<b>(64,637)</b>	(68,203)	(65,033)
	<b>38,725</b>	<b>39,961</b>	18,997	35,451

Notes to the Financial Statements (continued)  
For the year ended 31 July 2023

31 **US Department of Education Financial Responsibility Supplemental Schedule**

In satisfaction of its obligations to facilitate students' access to US federal financial aid, Glasgow Caledonian University is required, by the US Department of Education, to present the following Supplemental Schedule in a prescribed format.

The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets;
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition);
- presented in pounds sterling.

The schedules set out how each amount disclosed has been extracted from the financial statements. As set out above, the accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of accounting principles generally accepted in the United States of America.

In the tables below, the primary statements are referenced using the following abbreviations:

- Statement of Comprehensive Income and Expenditure – SOCI
- Balance Sheet – BS

**Expendable Net Assets**

Page	Note	Financial Statements Description	Supplementary Schedule Description	2023 £000	2023 £000	2022 £000	2022 £000
42		BS - Total Funds less Restricted Reserves	Net assets without donor restrictions	-	273,532	-	222,209
42	20, 21	BS - Restricted Reserves	Net assets with donor restrictions	-	741	-	817
42, 49	11	BS - Property, plant and equipment, net (includes Construction in progress)	Property, plant and equipment, net (includes Construction in progress)	171,084	-	176,433	-
42, 49	11	BS - Property, plant and equipment - pre-implementation	Property, plant and equipment - pre-implementation	-	170,454	-	176,433
42, 49	11	BS - Property, plant and equipment - post-implementation without outstanding debt for original purchase	Property, plant and equipment - post-implementation without outstanding debt for original purchase	-	(155)	-	358
42, 49	11	BS - Fixed Assets, Asset under construction	Construction in progress	-	785	-	2,869
42	Pension Asset	BS - Intangible assets	Intangible assets	-	82,016	-	32,790
42	19	BS - Pension provision	Post-employment and pension liabilities	-	9,881	-	9,270
42, 54	16, 17	BS - Creditors falling due after 1 year	Long-term debt - for long term purposes	1,929	-	5,191	-
42, 53, 54	16, 17	BS - Creditors amount falling due within 1 year BS - Creditors falling due after 1 year	Long-term debt - for long term purposes pre-implementation	-	(71)	-	5,191
42, 57	21	BS - Restricted reserves	Net assets with donor restrictions: restricted in perpetuity	-	445	-	499

Notes to the Financial Statements (continued)  
For the year ended 31 July 2023

31 US Department of Education Financial Responsibility Supplemental Schedule (continued)

**Total Expenses**

Page	Note	Financial Statements Description	Supplementary Schedule Description	2023 £000	2023 £000	2022 £000	2022 £000
38		CSCI - Operating Expenses	Total expenses without donor restrictions - taken directly from Statement of Activities	-	178,881	-	154,249
38, 62	27	CSCI - Actuarial Gain on Pension Scheme CSCI - Share of JV	Non-Operating and Net Investment (loss)	-	(53,109)	-	(107,750)
38, 45	5	CSCI- Investment Income	Net investment losses	-	(2,178)	-	(291)

**Modified Net Assets**

Page	Note	Financial Statements Description	Supplementary Schedule Description	2023 £000	2023 £000	2022 £000	2022 £000
42		BS - Total Funds less Restricted Reserves	Net assets without donor restrictions	-	273,532	-	222,209
30	20, 21	BS - Restricted Reserves	Net assets with donor restrictions	-	741	-	817
42		BS - Total Assets	Total Assets	-	362,300	-	300,679

**Net Income Ratio**

Page	Note	Financial Statements Description	Supplementary Schedule Description	2023 £000	2023 £000	2022 £000	2022 £000
38		BS - Change in Net Assets excluding restricted reserves	Change in Net Assets Without Donor Restrictions	-	51,323	-	105,374
38		BS - Total Revenue and Gains	Total Revenue and Gains	-	177,063	-	151,842



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