



University for the Common Good



# Annual Financial Statements

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Year ended 31 July 2022





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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

Thorntons Law LLP  
13 Melville Street, Edinburgh EH3 7PE

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

### Registered Charity Number:

SC021474

# Introduction from the Principal and Vice-Chancellor



2021 was another truly remarkable year for our University. A year in which we all had to dig even deeper into our reserves of resilience to endure and to thrive as the pandemic continued.

The strong performance of the University throughout the year derived from a continuing commitment to innovation in our teaching, research and ways of working. Our educational programmes received the highest possible rating from the Quality Assurance Agency for Scotland this year; our employment and widening access statistics shone; we were voted best in the UK by students for the value we provide and we achieved continued success in the Times Higher Global Impact rankings reflecting our authentic commitment to delivering the UN Sustainable Development Goals.

Perhaps, therefore, it is not surprising that we have been a popular destination for study, significantly increasing our international student intake and maintaining our unshakeable commitment to widening access to higher education. Through our applied research we were ranked fourth in the world for our work on gender equality, and twenty-first for our efforts to reduce inequality in society. Our impact rankings were reinforced by an excellent performance in the Research Excellence Framework, with improvement in quality across all areas and recognisable success in health impact where we were assessed as second in the UK.

One example of this impact saw Professors Sharon Hutchinson and Claudia Escort receive the prestigious Emerald Publishing International Real Impact Award for their work on HIV and Hepatitis C. In the coming years the University is pledged to support the development of a world leading programme to eradicate HIV and Hepatitis C from Scotland.

Towards the end of 2021, Glasgow became the focus of global attention through hosting COP26 and our scientists in the recently renamed Mary Robinson Centre for Climate Justice, in the built environment, and health, captured the opportunity to showcase the contribution we make to dealing with the climate emergency, promoting a just and fair transition to a carbon-neutral economy and to reducing child poverty and improving health more widely. The University's legacy from COP26, that we are progressing with serious intent, was ably supported by thoughtful and passionate interventions by our Chancellor Annie Lennox and Emeritus Chancellor Muhammad Yunus.

We did not, however, lose sight of the stress this pandemic has placed on us all and we also invested to ensure we could better support the mental health and wellbeing of our staff and students.

A year full of challenge, but also hope and one in which the GCU community of staff, students, alumni, Court members, friends and partners worked together to do what they do best: to ask the important questions of life, to unleash the transformative power of education, to solve problems and to make an impact on society. GCU continues to do so with grace, dignity and empathy and an abundance of energy.

The continued focus, strength of purpose and dedication of our GCU staff and student community, coupled with an extremely good level of student recruitment, has resulted in a culturally diverse community of academics, professionals and students. As I step aside from my role as GCU's Principal and Vice-Chancellor in December, the University is in a very strong financial position, going forward.

A handwritten signature in black ink, reading 'Pamela Gillies', written in a cursive style.

**Professor Pamela Gillies CBE, FRSE**

BSc PGCE MEd MMedSci PhD FRSA FFPH FAcSS Hon FRCPS (Glas) DSc (Hon)

**Principal and Vice-Chancellor**



# Highlights of 2022

## Income (£'000)

2022	152,233
2021	134,582
2020	125,305

# 85%

85% projected degree completion, ahead of the Scottish sector average (HESA 2022).

## Underlying operating surplus (£'000)

2022	12,592
2021	7,543
2020	3,682

# Top 70

Ranked 70th in the world in the Times Higher Education Impact Rankings (THE 2022).

## Cash at bank (£'000) as at 31 July 2022

2022	70,043
2021	45,550
2020	24,289

## Cashflow from operating activities (£'000)

2022	26,365
2021	22,775
2020	5,438

# 93%

93% of GCU graduates are in employment and/or further study, joint best performance in Scotland (HESA 2022).

## Student numbers (headcount) as at 31 July 2022

2022	20,050
Represented by:	
▪ Scottish full-time first degree	11,780
▪ Taught Postgraduate	4,730
▪ Research Postgraduate	410
▪ Other	3,130
2021	19,045
2020	17,540

# 99%

99% growth in international student intake in 2021/22.

# Strategic Report

## Strategy 2030

Strategy 2030 has a distinctive vision that Glasgow Caledonian University will be recognised as a world leading University for social innovation, delivering transformative education and impactful research through purposeful partnerships as a globally connected University, with an engaged University community committed to the Common Good.

We are led by our University Values of

- Confidence
- Responsibility
- Integrity
- Creativity

The Sustainable Development Goals provide the guiding framework for the delivery of our strategy.

## Implementing Strategy 2030

Strategy 2030 is supported by two core enabling strategies – Strategy for Learning and Research Strategy, and enabling plans for Finance, Infrastructure and People. The key themes of internationalisation and sustainability are embedded across the enabling strategies and plans.

Our University Community is at the heart of our Strategy 2030 and our staff and students each have a part to play in fulfilling our ambitions. Following a refresh of the planning process last year, the University is now moving to a three-year strategic planning horizon with a focus on objectives and outcomes to 2025/26, aligning with the mid-point of Strategy 2030. This will support local planning within Schools, GCU London and Professional Services and will enable successful implementation of Strategy 2030 and enabling strategies and plans, as well as closer integration of institutional planning activities.

# Strategy 2030



Led by our values of confidence, responsibility, integrity, creativity and the Sustainable Development Goals

# Strategic Report

## 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%	20%	●
		90%	90%	●
	Increase the proportion of our subjects in the UK upper quartile for NSS student satisfaction	50%	70%	●
	Maintain high degree completion rates as measured by HESA	80%	83%	●
	Enhance graduate level employment as measured by highly skilled classification HESA Graduate Outcomes	Achieve Scottish average	Exceed Scottish average	●
<b>Impactful research</b>	Building on our strengths, improve performance in the Research Excellence Framework based on overall scores	All subjects achieve 50% 3* 4* score	All subjects achieve 60% 3* 4* score	●
<b>Purposeful partnerships</b>	Be recognised as a leading Civic University, achieving the Engage Watermark Award	Silver Engage Watermark Award	Platinum Engage Watermark Award	●
	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 GCU 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	Staff Engagement 75%	Staff Engagement TBC	●
		Student Voice 78%	Student Voice 80%	●
	Drive our environment sustainability agenda and achieve carbon neutrality by 2040	-14% Scope 1 -80% Scope 2 -52% Scope 3	-22% Scope 1 -98% Scope 2 -63% Scope 3	●
	Ensure financial sustainability to facilitate investment in support of our 2030 ambitions	3% underlying operating surplus	3% underlying operating surplus	●





1st in the UK for promoting gender equality  
(THE Impact Rankings, 2022)

Top five in the world for promoting gender equality  
(THE Impact Rankings, 2022)

72% of our research is considered to be world leading or internationally excellent  
(Research Excellence Framework, 2021)

# Strategic Report

## University performance in 2021/22

The University had an outstanding set of results in 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. (REF, 2022)

91% of health and nursing research formally classified as world leading or internationally excellent. (REF, 2022)

Indeed further evidence of our excellence in research was highlighted by our shortlisting in two prestigious awards for our research (award ceremonies to take place after publication):

- The Green Gown Awards has shortlisted our Mary Robinson Centre for Climate Justice (MRCCJ) research investigating the impacts of climate change on gender-based violence and mental health for the first Diversity, Equity and Inclusion in Sustainability award. The project put the spotlight on the lived experiences of rural women in Malawi and delivered evidence directly to policy-makers to inform future policy at the national level that would help address a growing mental health and gender-based violence crisis in the studied areas.
- The GCU-led international Collaboration of Aphasia Trialists (CATs) network of more than 270 aphasia researchers across 41 countries was shortlisted for the prestigious Times Higher Education International Collaboration of the Year 2022. This collaboration, which aims to improve the lives of people with language problems, really impressed the judges and "surpassed" their expectations.

The University continued to focus on leveraging strategic research collaborations, strengthening its research culture, and attracting high-calibre researchers. In 2021/22, research income increased to £5.8m (£5.4m 2020/21).

GCU once again recorded a stellar performance result in the Times Higher Education Impact Rankings. The Impact

Rankings are the only global performance tables that assess universities against the Sustainable Development Goals (SDGs). GCU is positioned joint 70th out of 1,406 institutions globally in the 2022 rankings, and we have increased our overall score to 90.4/100. The 2022 rankings also place GCU in the top 5% of universities worldwide and 3rd in Scotland.

Of note, the University ranked very highly in some key areas of importance -

- 4th in the world for SDG 5 Gender Equality
- 21st for SDG 10 Reduced Inequalities
- Joint 39th SDG 8 Decent Work and Economic Growth
- Joint 61st SDG 3 Good Health and Wellbeing
- 75th for SDG 12 Responsible Consumption and Production



The University has continued to build on excellence in key learning and teaching metrics. GCU is the top performing modern university in Scotland for projected degree completion with a rate of 84.5% for full-time first degree students. This is our highest rate to date and is above the Scottish sector average (84.3%) and UK sector average (82%). (HESA, 2022)

A total of 93% of GCU graduates are in employment and/or further study 15 months after graduating. This represents an increase of three percentage points compared to the previous year. GCU is joint first in Scotland and ahead of the Scottish sector (90%). (HESA Graduate Outcomes 2019/20, published 2022)

93% of GCU graduates are in employment and/or further study compared to the Scottish sector average of 90% (HESA, 2022)

Our strong performance in these key metrics alongside our excellent REF 2021 results have contributed to GCU being the top Scottish modern University in the prestigious UK league tables, being ranked 52nd in the UK in both the Sunday Times Good University Guide 2023 and the Guardian University Guide 2023. This follows a trend of year-on-year improvements in the tables, consolidating GCU as leading modern university in the UK. Three of the University's subjects are first in the UK in the Sunday Times Good University Guide and GCU is in the top 20% in six of the Guardian University Guide subject groupings.

The University has a long-standing commitment to widening access with quality. GCU 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. The University piloted GCU Connect, a new outreach programme, initially targeted at S5 pupils in 13 schools, including schools that have not previously engaged with GCU Outreach. SIMD Q1 data and Free School Meal data were key factors in identifying schools to reach out to. In 2021/22 the University has also undertaken activities to refresh, re-invigorate and strengthen the strategic relationships with our local partner colleges as we move through the Covid-19 pandemic.



In 2021/22 the University became a signatory to the Race Equality Charter, which will provide the University with a consolidating framework to strengthen our work on tackling racism by bringing together the existing strands of work under one strategic umbrella, and taking it to the next level by achieving external recognition and accreditation. The Tackling Racism@GCU Group continues to steer our agenda around anti-racism. In 2022 the focus has been on raising awareness for both staff and students, staff training, development of action plans by the Schools and Professional Services and anti-racist curriculum work.

GCU has signed up to the Hidden Disabilities Sunflower scheme. This supports our commitment to equality, diversity and inclusion, and in particular aligns with our Autism Accreditation from the National Autistic

Society. The University joined the Scottish Government's Distance Aware Scheme, designed to help people worried about mixing with others as we adapt to living with Covid-19. We established a new Staff Carers Network, which supports our University's Carer Positive 'Engaged' status.

GCU is only one of three universities across the UK, and the only in Scotland, to have piloted the University Mental Health Charter with Student Minds. Our application for full award status has been submitted.

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

GCU has declared a Climate Emergency and is signed up to Race to Zero, a global campaign for leadership and action in the education sector. GCU's Environmental Management System (EMS) was successfully re-certified EcoCampus Platinum in March 2021. GCU remains the only University in Scotland to operate an EMS with this level of certification.



GCU achieved an overall satisfaction score of 79% in the 2022 National Student Survey, +1% point compared to last year, and is on a par with the Scottish sector average, and exceeds the UK sector average by +3% point. Scores remain on a par with, or have improved compared to the previous year for five out of nine NSS categories. The University is committed to listening to feedback from our students to inform enhancements in learning and teaching, and we have had positive outcomes in our internal module evaluation surveys in 2021/22.

The University has been hugely successful in attracting students to join our Glasgow and London campuses. In 2021/22, 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

# Strategic Report

GCU has grown by 30% in 2021/22, and our postgraduate research student numbers showed a slight reduction in 2021/22. Overall, postgraduate students represent 26% of GCU's student population in the UK.

International Students	2021/22	2020/21
Glasgow	1,875	1,260
London	1,030	385
<b>Total</b>	<b>2,905</b>	<b>1,645</b>

## Risk and risk management

High-quality risk management is a positive process which supports and enhances business management. During 2021/22 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. The main risks facing the University are:

**Cyber Security:** The increase in cyber crime experienced by the UK Higher Education Sector, including GCU, 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 is experiencing 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 student experience for the increasing numbers of international 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.

**Covid-19:** While the immediate impact of Covid-19 on operations has lessened and staff and students have returned to campus, there remains a risk of disruption during the coming winter period. The greater risks, however, are the longer-term impact on staff and student wellbeing, the risk that University fails to adapt to the new operational environment, or does not maximise the potential benefits of change.

## Estates and IT

During the year investment in our campuses continued with a project to enhance the fabric and internal condition of the Caledonian Court student residences. This covered three blocks of the residences and marked the start of a multi-year investment to refurbish all student accommodation operated by the University.

Building on previous investments in the newly named Annie Lennox Building, further enhancements have been made to the second floor to modernise teaching spaces and computing labs.

A number of projects were delivered enhancing student facing spaces including the addition of a new multi-purpose, multi-disciplinary health suite, fume cupboard replacement in labs and the purchase of a number of pieces of equipment supporting research and teaching.

On the London Campus a number of investments have been made to upgrade essential services ahead of a significant refurbishment scheduled to complete ahead of the start of teaching in September 2022.

All teaching spaces across the entire Glasgow Campus benefited from an IT equipment upgraded to enable post pandemic hi-flex teaching. This is supported by an investment in a number of large portable MS Teams screens to facilitate leading edge interactive teaching.

A project to enhance the Wi-Fi system across all campuses and the student residences was delivered during the year improving this vital service for students and staff.

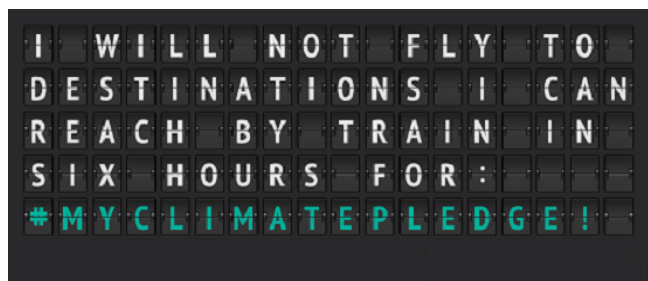
## Sustainability

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 2021/22 Academic year brought the gradual withdrawal of restrictions introduced to control the pandemic and with it a return of on-campus activity.

The University's carbon footprint for 2020/21 (the 2021/22 is not yet available), which reflects full operation with covid restrictions, was 16,852 tCO<sub>2</sub>e or 50% lower than in 2018/19 (the last full 'normal' operating year).

The University is reviewing its Green House Gas inventory to align with current reporting best practice and is working towards the inclusion of emissions from its investment funds.

As restrictions introduced to manage the pandemic are withdrawn, it is anticipated that there will be a rebound in the University's emissions. To attenuate the rebound, the University has updated its Sustainable Travel Plan, which includes a policy refresh (and a behaviour change campaign) to limit business flights to destinations that cannot be reached by train in six hours.



The University also updated its Circular Economy Plan and engaged a specialist consultant to help identify carbon saving opportunities across its Estate. Work was also in progress to renew accreditation as a Fairtrade University and the Laboratory Efficiency Assessment Framework (LEAF) is being piloted with the School of Health and Life Sciences.

This work will be carried out under the auspices of the University's environmental management system which continues to be certified EcoCampus Platinum/ISO 14001 after another successful independent audit.

During this reporting period, the University also established the SDG Implementation Working Group to ensure that sustainability and the Sustainable Development Goals permeates GCU through not only our estates and operations, but the curriculum and research. We have specific work streams focusing on: mapping the SDG in the University's curriculum; optimising GCU research to contribute to the SDGs; engaging students and staff to raise awareness of the SDG, with communications being central to awareness raising, engagement and reporting.

## 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 and diversity 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.

The outcomes are aligned with our Strategy 2030 and mission as the University for the Common Good, they also ensure compliance with 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. We implement this through student and staff training and engagement, including the embedding of equality, diversity, dignity and respect into student and staff induction, and communicating our success and good practice through internal and external channels and campaigns. Our work on tackling racism, led by the expertise of our Tackling Racism Group and informed by student and staff experiences, demonstrates this approach. The Call it Racism campaign presented a call to action to our GCU community, embodied by the strapline

# Strategic Report

to 'Call it racism, Challenge racist behaviour, Challenge racist structures.' This has been supported by information and resources for students and staff, including Report and Support, an online tool for reporting inappropriate behaviour, webinars and training events, student-led Black History Month activities. The University has joined Advance HE's Race Equality Charter to further consolidate this work.

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 fulfill our Carer Positive 'Engaged' employer status by supporting staff with caring responsibilities.

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. The University has also signed up to the Hidden Disabilities Sunflower scheme, which discreetly indicates that the wearer requires need additional support, help or a little more time, and the Scottish Government's Distance Aware Scheme, designed to help people worried about mixing with others as we adapt to living with Covid-19.

# 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

After navigating a number of challenging years, due to the pandemic, the University has emerged in a strong financial position. Building on previous improvements in international recruitment, a further significant increase in 2021/22 has been the main driver of the underlying operating surplus of £12.6m at 31 July 2022, an improvement of £7.5m from 2020/21. 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	2021/22 £'000	2020/21 £'000
<b>Underlying operating surplus Income</b>	<b>12,592</b>	7,543
Deduct:		
Non-cash FRS 102 pension costs	<b>14,608</b>	9,702
Other Items (including gains/losses, taxation and JV)	<b>1,748</b>	436
<b>Deficit for the year</b>	<b>(268)</b>	(2,595)

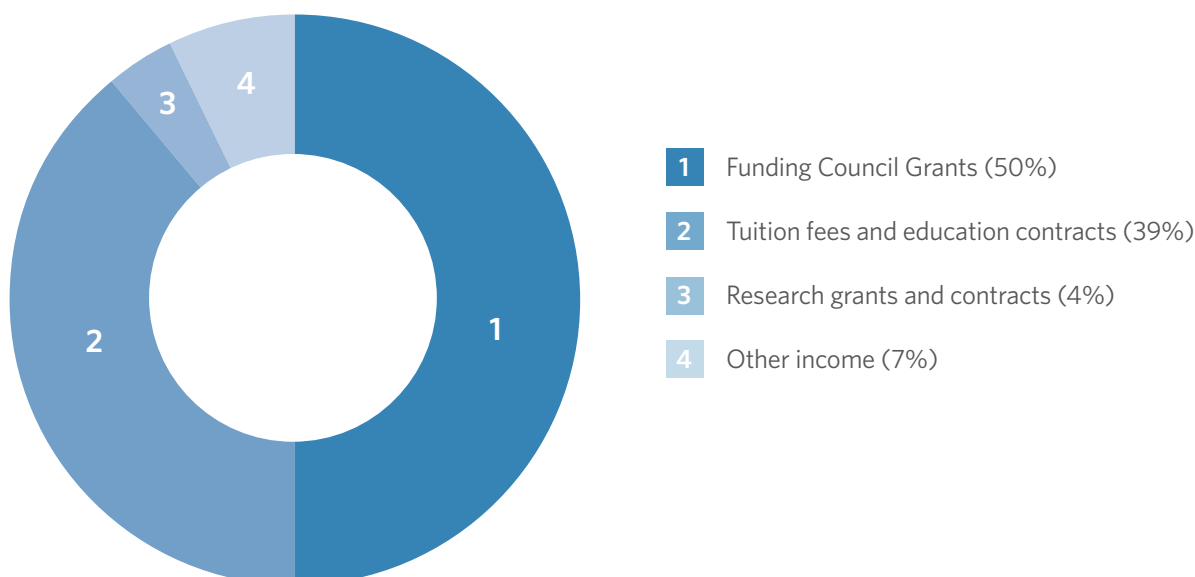
The University is reporting a consolidated deficit for the year, before other comprehensive income, of £0.3m (2020/21: £2.6m). As in previous years, the deficit includes a significant combined non-cash charge of £14.6m (2020/21: £9.7m) in respect of the accounting for both the Strathclyde Pension Fund current service staff costs and net interest charge and for the USS pension deficit provision adjustments. Such non-cash charges are being experienced nationally.

## Income

Total Income has increased in 2021/22 to £152.2m (2020/21: £134.6m). 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 2021/22 is shown in the graph below:

## Income

Total income has increased by £17.6m to £152.2m (2020/21: £134.6m).



# Financial Review

## Scottish Funding Council (SFC) grants

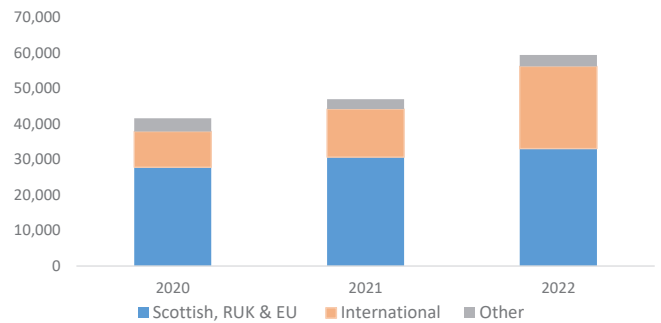
The University recognised £76.3m (2020/21: £73.8m) in grant funding from the SFC, reflecting the allocations announced in the SFC funding outcome agreements for universities. While the largest element of this funding is the recurrent main teaching grant, it also includes SFC research and innovation grants and capital maintenance grants.

Year on year increases include, grants related to teaching increasing by c£0.4m and SFC research grants and capital funding recognised in year having increased by c£1.0m and £0.8m respectively.

## Tuition fees and education contracts

Tuition Fee income in 2021/22 has increased to £59.4m (2020/21 £47.0m). The main driver is the rapid growth in international recruitment during 2021/22, a c71.2% growth in international tuition fees compared to 2020/21. International fees increased by c£9.7m, to £23.2m 2021/22 from £13.5m in 2020/21. £34.5m was generated by Scottish and EU students (2020/21 £32.1m) and a further £1.7m from educational contracts (2020/21 £1.4m).

## Tuition Fees 2022



## Research grants and contracts

There has been a 7% increase to £5.8m (2020/21 £5.4m) in research income during 2021/22, including the delivery of a number of significant research projects related to the Covid-19 pandemic.

## Other income

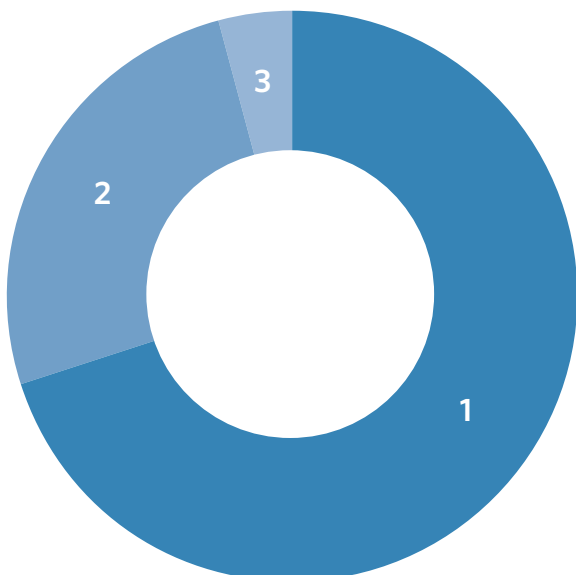
The University generated £9.9m (2020/21: £7.8m) in other income. In year, there was a significant increase within residences and catering income of £2.1m and £0.9m respectively reflecting increasing numbers of students on campuses. The University also delivered a significant international apprenticeship programme with private sector and Further Education partners, which contributed an exceptional £1.9m of income.

## Expenditure

Total expenditure has increased by £17.6m to £154.3m (2020/21: £136.7 m). Expenditure comprises staff, other operating costs, the depreciation of fixed assets and interest and finance costs. The composition of expenditure in 2021/22 is:

## Expenditure

Total expenditure has increased by £17.6m to £154.3m (2020/21: £136.7m).



- 1 Staff costs (70%)
- 2 Other expenses (26%)
- 3 Depreciation (4%)



## Staff investment

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

Staff	2022	2021
Staff costs £'000	106,416	94,735
Less FRS 102 Pension Costs	10,746	8,827
Less USS Movement	3,513	-
Underlying Staff costs £'000	92,157	85,908
FTE's	1,457	1,413

Pension costs of £27.4m (2020/21: £21.5m) for the year are represented by:

Underlying Pension Costs	2022 £'000	2021 £'000
Pension Costs	27,434	21,541
<b>Less FRS102 Effects</b>		
LGPS	10,746	8,827
USS Movement	3,513	-
Underlying Pension Costs	13,175	12,714

## Other operating costs

Other operating costs have increased by £5.5m to £40.4m (2020/21: £34.9m). This increase can largely be attributed to the gradual return to University campuses post pandemic. During the year, the University welcomed the return of students and staff to our Campuses as well as conducting the first in person Graduation Ceremonies since the pandemic began.

Notable cost increases have been attributable to delivering to and supporting the increased number of international students, including international agent fees. Increased campus activity has also driven utility costs which increased to £2.7m (2020/21 £2.1m) and catering and hospitality activities increased by £0.4m to £1.6m (2020/21 £1.2m).

## Procurement

The University is committed to obtaining value for money in all of its transactions, and in conducting its daily business staff 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 reviewed its 'Purchase to Pay' process during the academic year and in order to support invoice payments to be made timeously and upon the agreed payment terms, a 'No Purchase Order No Payment' process was introduced.

During the academic year, GCU awarded 20 new contracts, with 14 suppliers, who have committed to paying the Real Living Wage. The University has also maintained relationships with 2 supported businesses and 20 Social enterprises, spending approximately £130.0k.

Procurement led initiatives, using competitive tendering, resulted in value for money savings of approximately £0.3m. Other savings were achieved through access to collaborative framework agreements with Advanced Procurement for Universities and Colleges (APUC), UK Purchasing Consortia and other public sector frameworks.

In the GCU 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 GCU, 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 this 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.

## Balance Sheet

Total net assets have increased by £105.2m to £223.0m as at 31 July 2022 (2020/21: £117.8m). The main factors driving this is a £93.9m movement from a pension liability of £61.1m as at 31 July 2020 to a pension asset of £32.8m as at 31 July 2022, coupled with increased cash reserves year on year of £24.5m and offset with an increase in creditors of £14.5m.

# Financial Review

## Treasury

The University had strong and increased cash reserves at year end totaling £70.0m (2020/21 £45.6m). This was split over short term investments of £50.1m (2020/21: £24.1m) and liquid cash available of £20.0m (2020/21: £21.5m).

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

During the year, repayments were made towards the £10.0m loan facility with Lloyds Banking Group, backed by the European Investment Bank. As at 31 July 2022, £5.2m remained outstanding (2020/21: £5.9m).

As part of managing risk associated with the Covid-19 pandemic the University secured additional borrowing facilities under the Government's Coronavirus Large Business Interruption Loan Scheme (CLBILS) of £5.0m as a contingency measure in 2020/21. As forecast cash reserves were set to increase throughout 2021/22 and beyond, the University made the decision to cancel this facility in September 2021. There have been no other movements in net debt in the year.

## Asset Impairment

The University has in place a public benefit concessionary loan arrangement to fund Glasgow Caledonian New York College (GCNYC). As in previous years and in line with the requirements of accounting standards consideration has been given as to whether an impairment of the loan value has occurred. Management's review of the impairment at 31 July 2022 has concluded that conditions have not changed significantly from 2020/21, therefore, no adjustment to the loan value has been recognised in the 2021/22 financial statements.

Within the University view of the Consolidated Statement of Comprehensive Income and Expenditure, through "Other operating expenses", there is included an impairment value of \$10.61m (£8.1m) which is eliminated upon consolidation. Impairment does not affect the treatment within GCNYC and the full loan balance remains payable. Similarly, the University's decision to impair the loan balance does not affect GCNYC's ability to continue to operate.

## 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 2021/22 two major milestone releases of the Student Information Systems Project (SIMS) were successfully implemented, with the final release scheduled to go live towards the end of 2022. This resulted in £4.9m being capitalised to equipment as at 31 July 2022, with the remaining £0.6m asset under construction due to be capitalised upon the successful delivery of the final release later in 2022/23.

During the year the University delivered a £4.2m 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 and an investment in an additional multi use, multi-disciplinary health space.

## Financial KPI's

The KPI's for 2021/22 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.

## KPIs



KPI	2022 Actual	Baseline 2021	2030 Target
1	8.3%	2.30%	3.00%
2	63%	67%	63%
3	49%	45%	48%
4	£67.1m	£21.5m	Min £15m
5	0.02	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 33-37 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 £32.8m 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 2022 and therefore no restriction to the asset has been applied. There has been a £93.9m swing in 2021/22 with a move from a pension liability of £61.1m as at 31 July 2020 to an asset of £32.8m as at 31 July 2022. This significant change is due, in part, to the large increase in the discount rate (based on financial market conditions at 31 July 2022) which has driven a significant reduction in the value placed on the obligations side of the balance sheet. Discount rates having moved to 3.5% at 31 July 2022, compared to 1.6% 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 2022 is based on 2020 valuation using the new dual rate schedule of contributions. The provision increased from £1.8m 2020/21 to £5.5m as at 31 July 2022.

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

The University has remained resilient throughout the pandemic and current high cash reserves coupled with increased income streams, particularly from sustained high international student demand, has provided the opportunity to invest in several large infrastructure projects over the coming year. These will focus on enhancing learning spaces across our campuses, continue the investment in IT infrastructure and continue the refurbishment of student residences.

However, the University continues to manage the effects of rising inflation, energy costs, pay and pension costs all of which have the potential to affect future financial sustainability. In addition, the pressure of recurrent real terms reductions in SFC funding and the recent Scottish Government Resource Spending Review indicating a cash flat position, real terms cut, for the Higher Education sector over the next four-year period remains a significant concern and challenge for the University.

# 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, 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 2017 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 2017 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 2021/22. Court also holds a strategic planning event early in each session and held a further strategy event in September 2021 as well as several 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 imminent change of Principal, the Court consider that the external review should be deferred until 2023 in order to allow the new Principal to take up his post and for that process to feed into the review. In addition, there are internal arrangements to keep effectiveness under constant review including an annual effectiveness review.

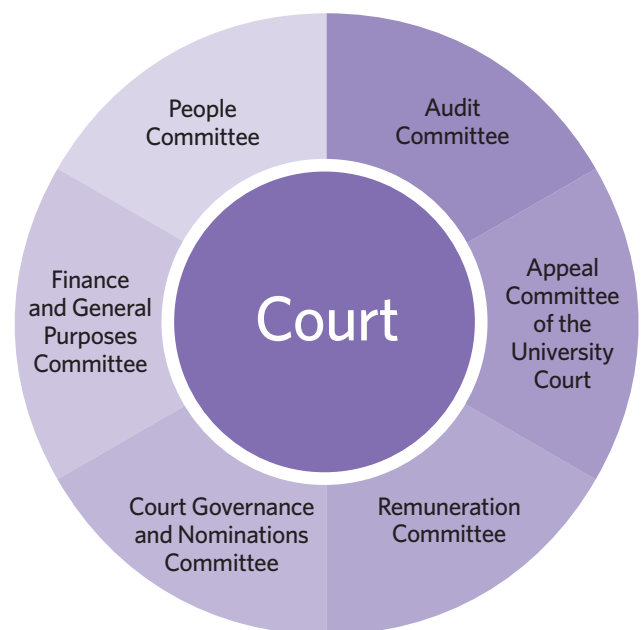
A review of Senate’s effectiveness is also carried out every five years but this similarly has been deferred to 2023.

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 their performance took place in September 2022.

The Chair of Court meets regularly with the Chairs of the standing committees allowing the Chairs to raise any issues about the conduct 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

## Court committees



of Court, a role which currently incorporates the role of Intermediary under the 2017 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 its second formal event for stakeholders, including external stakeholders, in line with the 2017 Code in February 2022. This was a virtual event which facilitated international reach and was well attended by a range of stakeholders both internal and external.

Court delegates the co-ordination, development and supervision of the academic work of the University to Senate, subject to the general control and direction of Court. Senate met four times in 2021/22. All lay Court members are expected to attend at least one meeting of Senate per year.

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 2021 was approved by Court at its meeting in April 2021 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 internal 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 2021/22 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 2021 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.

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. This is now done by means of an annual joint meeting.

The Principal and Vice-Chancellor, the Chief Operating Officer and the University Secretary and Vice Principal (Governance), 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.

### **Appeal Committee of the University Court (ACUC)**

In the event of any student being dissatisfied with the outcome of disciplinary proceedings, they may lodge an appeal against that decision. 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. In the event that an appeal is allowed to proceed, an

# Corporate Governance Statement

ACUC is established in order to meet with the appellant and to consider the grounds of the appeal and decide on the outcome. An ACUC is only convened if there is an appeal that has sufficient grounds to proceed. An ACUC 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 2021/22, only one ACUC required to be convened.

## Remuneration Committee

The Remuneration Committee met three times in 2021/22. During this year it included in its deliberations review of the proposed terms and conditions of the Principal Designate on their identification by the Search Committee (see below) for recommendation to Court. 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. Information on the remuneration of senior staff for the year ended 31 July 2022 is set out in note 7 to the financial statements. 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
Performance-driven remuneration
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 (composed of the Executive Board with the Chair of the Remuneration Committee) for determining the remuneration of Professorial and Senior Management staff earning below the £100,000 threshold. The Remuneration Committee received a report on the outcomes of the work of the Remuneration Panel and its decisions about the remuneration of relevant staff for 2021/22.

In setting the salary bands for the Principal and members of the Executive, 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 only once in 2021/22 for the conduct of its normal business, and other routine business was conducted electronically. This was due to the Court Governance and Nominations Committee being appointed by the Board as the core of the committee responsible for the recruitment of a new Principal (the "Search Committee"). The Search Committee, which included the Chair of the Remuneration Committee and was augmented by additional staff governors, met on several occasions to consider the role specification and feedback from consultations with staff and students and to identify a longlist and to shortlist candidates. The Committee, with contribution from an adviser with senior leadership experience in the sector, conducted interviews with shortlisted candidates and subsequently recommended an appointment to Court. The proposed terms and conditions of the nominee were referred to the Remuneration Committee for consideration and commendation to Court.

The Court Governance and Nominations Committee keeps Court's membership under review, assesses the skills and experience needed within the Court membership, 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. The process encompasses a wide range of methods to allow the Committee the flexibility to employ whichever recruitment methods 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 relevant 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 and subsequently all appointees are asked to complete and return an equality and diversity monitoring form. The Committee is mindful of its responsibilities arising from the Gender Representation on Public Boards (Scotland) Act 2018. The gender balance of lay governors on Court for 2021/22 was 56% male and 44% 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 also required to

register other interests, connections and commitments as they arise and review their entries annually. Members are required to report any potential conflicts of interest and at each meeting of Court and its Committees members are asked to flag any conflict of interests which might arise from the agenda.

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 has also reviewed reports and recommendations relating to university governance 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. The Committee has confirmed the desire to have a lay governor from a more Civic engagement background and the work of searching for a suitable candidate continues.

### Finance and General Purposes Committee

The Finance and General Purposes Committee met five times in 2021/22 including one meeting which is 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 reviews the annual financial statements, both the consolidated University statements and those of its subsidiary companies, and provides comment on them for the Audit Committee and Court. In 2021 the Committee contributed to the process following the joint annual meeting with the Audit Committee to review the annual financial statements for 2021/22.

### People Committee

The People Committee met five times in 2021/22. It reports to Court on the development, implementation and monitoring of the people strategy and on staff policies and relevant wider policies affecting staff and students that support the University Strategy. It addresses relevant legislative and regulatory requirements and staff consultative processes and feedback. It has oversight of the

# Corporate Governance Statement

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 staff, students and visitors.

## Glasgow Caledonian University Stakeholder Event

The annual Glasgow Caledonian University Stakeholder Event took place on 17th February 2022. The event provided an overview of the University's year with specific reflection on its contribution to COP26, which was held in Glasgow in November 2021. The event was held virtually and was advertised through the university website and was attended by members of the public, Governors, and over 280 staff, students, alumni, honorary graduates and external stakeholders. The attendees heard from the Principal, the Chair of Court, the Student President and Professor Tahseen Jafry, Director of Glasgow Caledonian University's Mary Robinson Centre for Climate Justice and Jacinta Silakan, founder of the Sang'ida Foundation (joining virtually from Kenya) to discuss the challenges of women on the frontline. The event updated staff, students, alumni, donors, civic and business leaders, and the wider community on the University's activity in 2021 and illustrated the University's research and teaching impact as a civic university. The event provided an overview of the University's year with a specific reflection of the involvement at COP26, which was held in Glasgow in November 2021.

## 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 Board, 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.

## 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 Board 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 of their meetings. The Executive Board 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 member assigned to lead such projects.

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 Finance and General Purposes Committee and quarterly by the University Executive Board. Additionally, the Principal



details any interim changes to risk identified by the Executive Board, in their 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, in reviewing 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. 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, and committee papers must indicate how the actions proposed address compliance with key legislation. All policies are reviewed annually to ensure their legislative and/or regulatory compliance.

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 2022 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.

### Impact and legacy of Covid-19

In response to the Coronavirus pandemic, the University Court and its Committees held their meetings from the start of lockdown in March 2020 using online conferencing facilities. Due to ongoing concerns with new variants and their impact, this has continued of necessity into 2021/22. However, in June 2022, the Court was able to hold its first in person meeting on campus since the start of the pandemic. During the most restrictive phases of the pandemic various techniques were deployed to keep Court informed of how the impact was being managed. These included Court briefing meetings, written briefings, and an increased frequency of meetings between the Chair of Court, Committee Chairs and Executives of the University. Some of the approaches, which exploited the ease of virtual meetings, continue to feature to keep Governors informed of actual or emerging risks or key topics and innovations. The University continues to monitor the Coronavirus situation carefully and has robust contingency plans to deal with any new outbreaks. The Court and its Committees were already fully functioning pre-pandemic in a paperless boardroom, using an electronic paper and meeting management system, and this too helped the Court and its Committees to continue to perform their functions and duties despite the restrictions of the pandemic.

### 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 £74.5m.

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

2021/22 has been a year in which the University's continued progress and contribution to building a strong, fair and ambitious society based on the Common Good has been recognized in many ways including through our REF results and our rising place in league tables. Our impact has been captured in the independent review carried out by BIGGAR Economics. This report, published in early 2022, demonstrates the University's outstanding contribution to local, national and global progress and reaffirms the University's place as the leading Modern University in Scotland. These REF results published this year illustrate how the University is impacting society positively and confirms its leadership at home and internationally in key research areas including Healthcare. Our staff and students are rightly proud of these achievements.

Finally, during a year of continuing challenge due to the effects, direct and indirect, of the Covid-19 pandemic, I would like to thank profoundly all members staff and the Court for their tireless dedication, resilience and continued support to secure the well-being and success of our students, to safeguard the same educational opportunities for future generations and to sustain the richness and relevance of our research.



**Rob Woodward**  
Chair of University Court

# Statement of Primary Responsibilities of Court

Under the terms of the Glasgow Caledonian University Order of Council 2010, 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 his/her 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

The group and University's financial statements are required by law to give a true and fair view of the state of affairs of the group and the University and of the group's excess of expenditure over income for that period. In preparing these financial statements, the Court is required to:

5. Ensure the solvency of the University and to safeguard its assets;
6. Prepare and approve the University's annual accounts and report;
7. 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. Approve the annual operating plans and budgets and to ensure that these reflect the University's strategic plan and strategic risk assessment;
9. Ensure that suitable accounting policies are selected and then applied consistently;
10. Make judgements and estimates that are reasonable and prudent;
11. State whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
12. Assess the group and the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
13. Use the going concern basis of accounting unless the Court intends to liquidate the group or the University or to cease operations, or have no realistic alternative but to do so;

## Strategic responsibilities

14. 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. Approve all substantive policies of the University;

## Controls

16. Ensure that the University operates in accordance with the University's Statutory Instrument as well as all applicable legislation;
17. 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. Ensure that systems are in place for the assessment and management of risk;
19. Ensure the existence and integrity of financial control systems and to monitor these through the Audit Committee;
20. 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. Monitor the University's performance against its strategic plan and agreed key performance indicators;
22. Monitor and review the performance and effectiveness of the Court and its standing committees;
23. Ensure that suitable accounting policies are selected and then applied consistently;
24. Ensure the maintenance and integrity of the financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Membership of Court and Key Committees

## University Court Members

Mr Rob Woodward *Chair of Court*  
Mr Peter Baguley *Lay Governor (sabbatical from 01.09.21)*  
Mr Amit Bhargava *Lay Governor*  
Dr Douglas Chalmers *Academic Staff Elected Governor (to 31.07.22)*  
Mr Chukwuma Egbujor *Students' Association Nominated Governor (from 31.05.22)*  
Dr Morag Ferguson *Senate Elected Governor (to 31.07.22)*  
Mr Campbell Fitch *Lay Governor*  
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*  
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 Mc Kerrell *TU Nominated Governor*  
Mrs Neena Mahal *Lay Governor*  
Ms Tabitha Nyariki *Student Association Nominated Governor (to 31.05.22)*  
Professor Ann Priest *Lay Governor (to 15.06.22)*  
Mr Adil Rahoo *President of the Students' Association (to 31.05.22)*  
Mr Austin Sweeney *Lay Governor*  
Ms Laiba Tareen *President of the Students' Association (from 31.05.22)*  
Ms Jane Wilson *Lay Governor*

## Members of Audit Committee

Mr Bill McDonald *Committee Chair*  
Mr Amit Bhargava  
Mr Chukwuma Egbujor *(from 31.05.22)*  
Mr Daniel Gallacher  
Mr David Halliday  
Mr Asif Haseeb  
Ms Tabitha Nyariki *(to 31.05.22)*

## Members of Remuneration Committee

Ms Meg Lustman *Committee Chair*  
Dr Douglas Chalmers *(to 31.07.22)*  
Mr Chukwuma Egbujor *(from 31.05.22)*  
Mr Campbell Fitch  
Mr Adil Rahoo *(to 31.05.22)*  
Mr Austin Sweeney  
Mr Rob Woodward

## Members of Governance and Nominations Committee

Mr Rob Woodward *Committee Chair*  
Dr Morag Ferguson *(to 31.07.22)*  
Mrs Sylvie Freund-Pickavance  
Professor Pamela Gillies  
Mr Ian Kerr  
Ms Meg Lustman  
Mr Adil Rahoo *(to 31.05.22)*  
Mr Austin Sweeney  
Ms Laiba Tareen *(from 31.05.22)*

## Members of Finance and General Purposes Committee

Mr Ian Kerr *Committee Chair*  
Mr Peter Baguley *(sabbatical from 01.09.21)*  
Mr Amit Bhargava  
Dr Douglas Chalmers *(to 31.07.22)*  
Dr Morag Ferguson *(to 31.07.22)*  
Professor Pamela Gillies  
Ms Sharon Lowrie  
Ms Meg Lustman  
Mrs Susan Mitchell  
Mr Adil Rahoo *(to 31.05.22)*  
Mr Austin Sweeney  
Ms Laiba Tareen *(from 31.05.22)*

# Membership of Court and Key Committees (Continued)

## Members of People Committee

Mrs Neena Mahal *Committee Chair*  
Mr Chukwuma Egbujor (*from 31.05.22*)  
Mr Campbell Fitch  
Mr Daniel Gallacher  
Ms Ellen Gibson  
Professor Pamela Gillies  
Mr David Halliday  
Ms Meg Lustman  
Dr Nick McKerrell  
Ms Tabitha Nyariki (*to 31.05.22*)  
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 2022

Member	Date from / to	Court 5 in year	Audit 4 in year	Remuneration 2 in year	Court Governance and Nominations 1 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 <i>Chair of Court</i>		5		2	1			1
Professor Pamela Gillies <i>Principal and Vice-Chancellor</i>		5			1	5	4	1
Mr Peter Baguley ( <i>Sabbatical from 01.09.21</i> )								
Mr Amit Bhargava		3	1			4		1
Dr Douglas Chalmers <i>Academic Staff Elected Governor</i>	To 31/07/22	5		2		5		0
Mr Chukwuma Egbujor	From 31/05/22	1*						
Dr Morag Ferguson <i>Senate Elected Governor</i>	To 31/07/22	5			1	5		0
Mr Campbell Fitch		5		2			3	
Mrs Sylvie Freund Pickavance		3			1			
Mr Daniel Gallacher		5	4				4	1
Ms Ellen Gibson		4					4	
Mr David Halliday <i>Professional and Support Staff Elected Governor</i>		4	3				4	0
Mr Asif Haseeb		5	3					1
Mr Ian Kerr		5			1	5		1
Ms Sharon Lowrie		5				5	2	0
Ms Meg Lustman		5		2	1	4	2	1
Mrs Neena Mahal		5					4	
Mr Bill McDonald		4	4					1
Dr Nick McKerrell		5					4	
Mrs Susan Mitchell						5		1
Ms Tabitha Nyariki	To 31.05.22	3	2				4	1
Professor Ann Priest	To 15.06.22	4						
Mr Adil Rahoo <i>Student President</i>	To 31.05.22	4		2	1	4		1

## University Court and Committee Meetings (Continued)

### Attendance at University Court and Committee Meetings for the year to 31 July 2022

Member	Date from / to	Court 5 in year	Audit 4 in year	Remuneration 2 in year	Court Governance and Nominations 1 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		2	1	5		1
Ms Laiba Tareen	From 31/05/22	1						
Ms Jane Wilson		5					3	

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 CGNC met on other occasions as the Search Committee for the appointment of the new Principal and VC.

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 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 2022 which comprise 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 2022 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, the date of the updated engagement letter. 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 of the University 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.

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

As required by auditing standards, and taking into account possible pressures to meet performance targets we perform procedures to address the risk of management override of controls, in particular the risk that 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 identify non-compliance with these laws and regulations 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 of the University (the members of which are the Trustees of the University for the purposes of charity law) is responsible for the other information, which comprises all of the information in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, we do



not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Strategic Report 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 of the University is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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

16 December 2022

# 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 13 months from the date of approval of these financial statements (the going concern period) which indicate that, taking account of severe but plausible downsides, including the impact of the Covid-19 pandemic, 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 2021/22 to 2022/23, 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 nil intake for international and GCNYC in Tri B 2021/22, a £1m impact in delivery of Transnational income and a £1m income reduction from Accommodation and other campus activities. The forecasts show that the operational activities of the University are expected to emerge from 2021/22 in a robust position in terms of primary indicators of cash reserves of £74.5m 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 retiral.

### 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 and University Statement of Comprehensive Income and Expenditure For the year ended 31 July 2022

	Note	Consolidated 2022 £000	University 2022 £000	Consolidated 2021 £000	University 2021 £000
<b>Income</b>					
Funding Council grants	1	76,255	76,255	73,819	73,819
Tuition fees and education contracts	2	59,425	58,401	46,962	46,075
Research grants and contracts	3	5,801	5,589	5,401	4,925
Other income	4	9,857	9,933	7,764	4,824
Investment income	5	291	267	159	97
Donations and endowments	6	604	604	477	477
<b>Total income</b>		<b>152,233</b>	<b>151,049</b>	<b>134,582</b>	<b>130,217</b>
<b>Expenditure</b>					
Staff costs	7	106,416	104,779	94,735	93,097
Severance costs	7	-	-	33	33
Other operating expenses	9	40,388	36,363	34,850	33,707
Depreciation	11	6,095	5,955	5,670	5,532
Interest and other finance costs	8	1,350	1,350	1,440	1,440
<b>Total expenditure</b>		<b>154,249</b>	<b>148,447</b>	<b>136,728</b>	<b>133,809</b>
<b>(Deficit)/ surplus before other gains and share of deficit in joint venture</b>		<b>(2,016)</b>	<b>2,602</b>	<b>(2,146)</b>	<b>(3,592)</b>
Gain on disposal of non-current asset investments		-	-	-	-
Gain/(loss) on endowment investments	12	(100)	(100)	17	17
Share of operating surplus/(deficit) in joint venture	13	1,918	-	(400)	-
<b>(Deficit)/ surplus before tax</b>		<b>(198)</b>	<b>2,502</b>	<b>(2,529)</b>	<b>(3,575)</b>
Taxation	10	(70)	(70)	(66)	(66)
<b>(Deficit)/ surplus for the year</b>		<b>(268)</b>	<b>2,432</b>	<b>(2,595)</b>	<b>(3,641)</b>
Unrealised (loss) on investments		-	-	(15)	(15)
Actuarial gain in respect of pension schemes	27	105,650	105,650	24,074	24,074
Currency translation differences on foreign currency net investment		(109)	-	21	-
<b>Total comprehensive income</b>		<b>105,273</b>	<b>108,082</b>	<b>21,485</b>	<b>20,418</b>
<b>Represented by:</b>					
Endowment comprehensive income for year		(99)	(99)	(12)	(12)
Restricted comprehensive income for year		(2)	(2)	(72)	(72)
Unrestricted comprehensive income for year		107,438	110,138	23,883	22,837
Revaluation reserve comprehensive income for the year		(1,955)	(1,955)	(2,335)	(2,335)
Foreign currency translation reserve		(109)	-	21	-
<b>Comprehensive income for the year</b>		<b>105,273</b>	<b>108,082</b>	<b>21,485</b>	<b>20,418</b>

# Financial Statements (Continued)

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

For the year ended 31 July 2022

	<b>Consolidated</b>	<b>University</b>	Consolidated	University
	<b>2022</b>	<b>2022</b>	2021	2021
	<b>£000</b>	<b>£000</b>	£000	£000
<b>(Deficit)/ surplus for the year attributable to:</b>				
University	<b>(268)</b>	<b>2,432</b>	(2,595)	(3,641)
<b>Total comprehensive (loss) for the year attributable to:</b>				
University	<b>105,273</b>	<b>108,082</b>	21,485	20,418

All items of income and expenditure arise from continuing operations.



Consolidated and University Statement of Changes in Reserves  
For the year ended 31 July 2022

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 2020</b>	<b>429</b>	<b>573</b>	<b>22,335</b>	<b>40</b>	<b>72,891</b>	<b>96,268</b>
Surplus/(deficit) from the income and expenditure account	44	109	(2,748)	-	-	<b>(2,595)</b>
Other comprehensive income	-	-	24,074	21	(15)	<b>24,080</b>
Transfer of amount equivalent to additional depreciation of fixed assets	-	-	1,955	-	(1,955)	-
Cumulative revaluation written back on investments	-	-	365	-	(365)	-
Release of restricted funds spent in year	(56)	(181)	237	-	-	-
<b>Total comprehensive income for the year</b>	<b>(12)</b>	<b>(72)</b>	<b>23,883</b>	<b>21</b>	<b>(2,335)</b>	<b>21,485</b>
<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 31 July 2022</b>	<b>318</b>	<b>499</b>	<b>154,246</b>	<b>(48)</b>	<b>68,011</b>	<b>223,026</b>

Consolidated and University Statement of Changes in Reserves (continued)  
For the year ended 31 July 2022

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 2020</b>	<b>429</b>	<b>573</b>	<b>36,359</b>	-	<b>72,891</b>	<b>110,252</b>
Surplus/(deficit) from the income and expenditure account	44	109	(3,794)	-	-	<b>(3,641)</b>
Other comprehensive income	-	-	24,074	-	(15)	<b>24,059</b>
Transfer of amount equivalent to additional depreciation of fixed assets	-	-	1,955	-	(1,955)	-
Cumulative revaluation written back on investments	-	-	365	-	(365)	-
Release of restricted funds spent in year	(56)	(181)	237	-	-	-
<b>Total comprehensive income for the year</b>	<b>(12)</b>	<b>(72)</b>	<b>22,837</b>	-	<b>(2,335)</b>	<b>20,418</b>
<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 31 July 2022</b>	<b>318</b>	<b>499</b>	<b>169,924</b>	-	<b>68,011</b>	<b>238,752</b>

Consolidated and University Balance Sheet  
As at 31 July 2022

	Note	Consolidated 2022 £000	University 2022 £000	Consolidated 2021 £000	University 2021 £000
<b>Non-current assets</b>					
Fixed assets	11	176,433	175,495	179,526	178,581
Investments	12	3,572	3,782	3,522	3,882
Pension Asset	27	32,790	32,790	-	-
		<b>212,795</b>	<b>212,067</b>	183,048	182,463
<b>Current assets</b>					
Stocks		684	684	243	243
Trade and other receivables	14	17,157	32,290	13,467	25,612
Investments	15	50,058	50,000	24,050	24,000
Cash and cash equivalents	22	19,985	18,194	21,500	20,032
		<b>87,884</b>	<b>101,168</b>	59,260	69,887
Less: Creditors: amounts falling due within one year	16	(56,747)	(53,577)	(41,008)	(37,988)
Net current assets		<b>31,137</b>	<b>47,591</b>	18,252	31,899
Total assets less current liabilities		<b>243,932</b>	<b>259,658</b>	201,300	214,362
Creditors: amounts falling due after more than one year	17	(11,456)	(11,456)	(12,724)	(12,724)
<b>Provisions</b>					
Pension provisions	19	(9,270)	(9,270)	(67,993)	(67,993)
Other provisions	19	(180)	(180)	(2,830)	(2,975)
<b>Total net assets</b>		<b>223,026</b>	<b>238,752</b>	117,753	130,670
<b>Restricted reserves</b>					
Income and expenditure reserve – endowment reserve	20	318	318	417	417
Income and expenditure reserve – restricted reserve	21	499	499	501	501
<b>Unrestricted reserves</b>					
Income and expenditure reserve – unrestricted reserve		154,246	169,924	46,218	59,196
Foreign currency investment translation reserve		(48)	-	61	-
Revaluation reserve		68,011	68,011	70,556	70,556
<b>Total funds</b>		<b>223,026</b>	<b>238,752</b>	117,753	130,670

The financial statements on pages 38 to 69 were approved by the University Court on 12 December 2022 and signed on its behalf by:



Mr Rob Woodward  
Chair of University Court



Professor Pamela Gillies CBE, FRSE  
Principal and Vice-Chancellor

Consolidated Statement of Cash Flows  
For the year ended 31 July 2022

	Note	2022 £000	2021 £000
<b>Cash flow from operating activities</b>			
Deficit for the year		(268)	(2,595)
<b>Adjustment for non-cash items</b>			
Depreciation	11	6,095	5,670
Pension costs less contribution payable		10,713	8,793
Loss/Gain on investments		100	(17)
(Increase) in stock		(441)	(7)
(Increase) in debtors		(3,689)	(542)
Increase/(decrease) in creditors		15,739	10,969
(Decrease)/increase in pension provision		(1,150)	(156)
(Decrease)/increase in other provisions		(60)	(60)
Share of operating deficit in joint venture	13	-	400
<b>Adjustment for investing or financing activities</b>			
Deferred capital grants released to income	18	(457)	(457)
Investment income	5	(291)	(159)
Interest and other finance costs	8	1,350	1,440
Profit from sale of non-current asset investments		-	-
Loss on disposal of asset under construction		-	-
Capital grant income		(1,276)	(504)
<b>Net cash inflow from operating activities</b>		<b>26,365</b>	<b>22,775</b>
<b>Cash flows from investing activities</b>			
Disposal of non-current asset investments		-	-
Increase in deposits		(26,008)	(16,997)
Investment income		191	62
Payments made to acquire fixed assets		(2,355)	(1,832)
New non-current asset investments		-	-
Capital grant income		1,294	1,292
<b>Total cash flows from investing activities</b>		<b>(26,878)</b>	<b>(17,475)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(274)	(301)
Repayments of amounts borrowed		(766)	(731)
Loans advanced		-	-
<b>Total cash flows from financing activities</b>		<b>(1,040)</b>	<b>(1,032)</b>
<b>(Decrease)/increase in cash and cash equivalents in the year</b>		<b>(1,553)</b>	<b>4,268</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>21,500</b>	<b>17,236</b>
<b>Effects of foreign currency translation on cash and cash equivalents</b>		<b>38</b>	<b>(4)</b>
<b>Cash and cash equivalents at end of the year</b>		<b>19,985</b>	<b>21,500</b>

Notes to the Financial Statements  
For the year ended 31 July 2022

1	Funding Council grants	Consolidated	University	Consolidated	University
		2022	2022	2021	2021
		£000	£000	£000	£000
	<b>Recurrent grants</b>				
	General Fund - Teaching	67,022	67,022	66,439	66,439
	General Fund - Research and Knowledge Exchange	5,845	4,362	4,411	4,411
	<b>Specific grants</b>				
	Strategic Funding	1,581	1,581	1,529	1,529
	Release of deferred capital grants (note 18)	457	457	457	457
	Capital Maintenance grants	1,350	1,350	983	983
		<b>76,255</b>	<b>76,255</b>	<b>73,819</b>	<b>73,819</b>
2	<b>Tuition fees and education contracts</b>	<b>Consolidated</b>	<b>University</b>	<b>Consolidated</b>	<b>University</b>
		2022	2022	2021	2021
		£000	£000	£000	£000
	Scottish and EU fees	31,184	31,184	28,711	28,711
	Rest of UK fees	1,872	1,872	1,944	1,944
	Non-EU fees	23,156	22,607	13,521	13,050
	Research training support grants	117	117	89	89
	Non-credit bearing course fees	1,353	1,308	1,295	880
	Education contracts	1,743	1,313	1,402	1,401
		<b>59,425</b>	<b>58,401</b>	<b>46,962</b>	<b>46,075</b>
3	<b>Research grants and contracts</b>	<b>Consolidated</b>	<b>University</b>	<b>Consolidated</b>	<b>University</b>
		2022	2022	2021	2021
		£000	£000	£000	£000
	Research councils	303	303	317	317
	Research charities	661	656	564	564
	Government (UK and overseas)	4,264	4,206	3,888	3,651
	Industry and commerce	478	329	580	341
	Release of deferred capital grants (note 18)	-	-	-	-
	Other	95	95	52	52
		<b>5,801</b>	<b>5,589</b>	<b>5,401</b>	<b>4,925</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 2022

4	<b>Other income</b>	<b>Consolidated</b>	<b>University</b>	Consolidated	University
		<b>2022</b>	<b>2022</b>	2021	2021
		<b>£000</b>	<b>£000</b>	£000	£000
	Residences, catering and conferences	4,073	4,073	1,396	1,396
	Other income	5,784	5,860	6,368	3,428
		<b>9,857</b>	<b>9,933</b>	<b>7,764</b>	<b>4,824</b>
5	<b>Investment income</b>	<b>Consolidated</b>	<b>University</b>	Consolidated	University
		<b>2022</b>	<b>2022</b>	2021	2021
		<b>£000</b>	<b>£000</b>	£000	£000
	Investment income on endowments	7	7	7	7
	Other investment income	284	260	152	90
		<b>291</b>	<b>267</b>	<b>159</b>	<b>97</b>
6	<b>Donations and endowments</b>	<b>Consolidated</b>	<b>University</b>	Consolidated	University
		<b>2022</b>	<b>2022</b>	2021	2021
		<b>£000</b>	<b>£000</b>	£000	£000
	Donations with restrictions	197	197	109	109
	Unrestricted donations	407	407	368	368
		<b>604</b>	<b>604</b>	<b>477</b>	<b>477</b>
7	<b>Staff costs</b>	<b>Consolidated</b>	<b>University</b>	Consolidated	University
		<b>2022</b>	<b>2022</b>	2021	2021
		<b>£000</b>	<b>£000</b>	£000	£000
	Salaries	71,003	69,558	65,951	64,548
	Social security and other taxes	7,926	7,876	7,243	7,119
	Movement on USS provision	3,513	3,513	(2)	(2)
	Other pension costs	23,974	23,832	21,543	21,432
		<b>106,416</b>	<b>104,779</b>	<b>94,735</b>	<b>93,097</b>
	<b>Emoluments of the Principal and Vice-Chancellor</b>			<b>2022</b>	2021
				<b>£000</b>	£000
	Salary			<b>237</b>	234
	Payments in lieu of pension contributions			<b>36</b>	33
	Performance related payment			-	-
	Benefits in kind			<b>4</b>	4
				<b>277</b>	<b>271</b>

The remuneration of the Principal in the academic year 2021/22 was 5.3 times the median remuneration of the workforce, which was £44,706. There had been a cost of living increase in August 2021 of 1.5% applied to all staff. The median is reflective of the increase in the size of the workforce during the year, the majority of which were recruited at lower than median grade.

Notes to the Financial Statements (continued)  
For the year ended 31 July 2022

7 Staff costs (continued)

Remuneration of other higher paid staff, excluding employers' pension contributions where applicable	2022 Number	2021 Number
£100,000 - £109,999	6	3
£110,000 - £119,999	4	2
£120,000 - £129,999	2	2
£130,000 - £139,999	1	1
£140,000 - £149,999	1	2
£150,000 - £159,999	3	3
£160,000 - £169,999	1	-
£190,000 - £199,999	-	1
£200,000 - £209,999	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.

Average staff numbers by major category	2022 Number	2021 Number
Academic	715	695
Administrative	600	580
Technical	54	54
Others	88	84
	<b>1,457</b>	<b>1,413</b>

**Severance costs**

A number of staff left the University through severance agreements as follows:

	2022 £000	2021 £000
Academic	-	-
Administrative	-	33
Technical and Others	-	-
Associated costs (non-payroll)	-	-
	<b>-</b>	<b>33</b>

Notes to the Financial Statements (continued)  
For the year ended 31 July 2022

7 **Staff costs (continued)**

**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 its Executive Board, consisting of seven people during the year, 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. The year on year increase reflects staff turnover in the key management personnel in the previous reporting period.

	<b>2022</b>	2021
	<b>£000</b>	£000
Key management personnel compensation (excluding Principal and Vice-Chancellor as disclosed separately)	<b>996</b>	782

**Court Members**

No Court member has received any remuneration relating to their membership of Court from the University during 2021/22 (2020/21: none).

The total expense paid to or on behalf of Court members was £83.7k (2021: £1k). 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>2022</b>	<b>2022</b>	2021	2021
	<b>£000</b>	<b>£000</b>	£000	£000
Loan interest	<b>260</b>	<b>260</b>	303	303
Net charge on pension scheme (note 28)	<b>1,062</b>	<b>1,062</b>	1,114	1,114
Finance expense USS	<b>28</b>	<b>28</b>	23	23
	<b>1,350</b>	<b>1,350</b>	1,440	1,440

9 <b>Analysis of total expenditure by activity</b>	<b>Consolidated</b>	<b>University</b>	Consolidated	University
	<b>2022</b>	<b>2022</b>	2021	2021
	<b>£000</b>	<b>£000</b>	£000	£000
Academic and related services	<b>92,581</b>	<b>94,035</b>	79,430	77,558
Administration and central services	<b>25,875</b>	<b>23,412</b>	25,018	24,848
Premises	<b>15,457</b>	<b>13,657</b>	14,131	12,441
Residences, catering and conferences	<b>3,407</b>	<b>3,407</b>	1,665	1,665
Research grants and contracts	<b>6,081</b>	<b>5,865</b>	5,591	5,133
Other expenses	<b>10,848</b>	<b>8,071</b>	10,893	12,164
	<b>154,249</b>	<b>148,447</b>	136,728	133,809



Notes to the Financial Statements (continued)  
For the year ended 31 July 2022

9 **Analysis of total expenditure by activity (continued)**

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

	<b>Consolidated</b>	<b>University</b>	Consolidated	University
	<b>2022</b>	<b>2022</b>	2021	2021
	<b>£000</b>	<b>£000</b>	£000	£000
<b>Auditor's remuneration</b>				
External auditor's remuneration in respect of audit services	135	121	87	80
External auditor's remuneration in respect of subsidiaries (non-KPMG)	40	-	38	-
Internal auditor's remuneration in respect of audit services	137	137	117	117

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>2022</b>	2021
	<b>£000</b>	£000
Current tax expense	64	51
Adjustment in respect of previous years	6	15
<b>Total tax charge</b>	<b>70</b>	<b>66</b>

Notes to the Financial Statements (continued)  
For the year ended 31 July 2022

11 Fixed assets

Consolidated	Land & buildings £000	Assets under construction £000	Plant & equipment £000	Fixtures, fittings & furniture £000	Total £000
<b>Cost or valuation</b>					
At 1 August 2021	205,524	2,640	23,089	6,049	237,302
Exchange movement	263	-	76	19	358
Additions	-	2,869	-	-	2,869
Disposals	-	-	-	-	-
Transfers	-	(4,901)	4,901	-	-
<b>At 31 July 2022</b>	<b>205,787</b>	<b>608</b>	<b>28,066</b>	<b>6,068</b>	<b>240,529</b>
<b>Depreciation</b>					
At 1 August 2021	34,824	-	17,552	5,400	57,776
Exchange movement	128	-	77	20	225
Charge for year	4,294	-	1,652	149	6,095
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
<b>At 31 July 2022</b>	<b>39,246</b>	<b>-</b>	<b>19,281</b>	<b>5,569</b>	<b>64,096</b>
<b>Net Book Value</b>					
<b>At 31 July 2022</b>	<b>166,541</b>	<b>608</b>	<b>8,785</b>	<b>499</b>	<b>176,433</b>
At 31 July 2021	170,700	2,640	5,537	649	179,526
<b>University</b>					
<b>Cost or valuation</b>					
At 1 August 2021	203,682	2,640	22,554	5,917	234,793
Additions	-	2,869	-	-	2,869
Disposals	-	-	-	-	-
Transfers	-	(4,901)	4,901	-	-
<b>At 31 July 2022</b>	<b>203,682</b>	<b>608</b>	<b>27,455</b>	<b>5,917</b>	<b>237,662</b>
<b>Depreciation</b>					
At 1 August 2021	33,929	-	17,017	5,266	56,212
Charge for year	4,153	-	1,653	149	5,955
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
<b>At 31 July 2022</b>	<b>38,082</b>	<b>-</b>	<b>18,670</b>	<b>5,415</b>	<b>62,167</b>
<b>Net Book Value</b>					
<b>At 31 July 2022</b>	<b>165,600</b>	<b>608</b>	<b>8,785</b>	<b>502</b>	<b>175,495</b>
At 31 July 2021	169,753	2,640	5,537	651	178,581

Notes to the Financial Statements (continued)  
For the year ended 31 July 2022

11 **Fixed assets (continued)**

At 31 July 2022, land and buildings included £12.3m (2021: £12.3m) in respect of the net book value of freehold land and is not depreciated.

Buildings with a deemed cost of £1.7m (2021: £1.7m) and accumulated depreciation of £627k (2021: £557k) 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 £40.7m 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.

12 **Non-current investments**

<b>Consolidated</b>	<b>Subsidiary companies</b>	<b>Investments in spinouts</b>	<b>Other fixed asset investments</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 August 2021	-	-	3,522	<b>3,522</b>
Additions	-	-	2,130	<b>2,130</b>
Disposals	-	-	(1,980)	<b>(1,980)</b>
Increase/(decrease) in market value of investments	-	-	(100)	<b>(100)</b>
<b>At 31 July 2022</b>	<b>-</b>	<b>-</b>	<b>3,572</b>	<b>3,572</b>

<b>University</b>	<b>Subsidiary companies</b>	<b>Investments in spinouts</b>	<b>Other fixed asset investments</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 August 2021	210	-	3,672	<b>3,882</b>
Additions	-	-	2,130	<b>2,130</b>
Disposals	-	-	(2,130)	<b>(2,130)</b>
Increase/(decrease) in market value of investments	-	-	(100)	<b>(100)</b>
<b>At 31 July 2022</b>	<b>210</b>	<b>-</b>	<b>3,572</b>	<b>3,782</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 2021 £471k Gift Aid is payable by the Company to the University (2021: £250k).

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.

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 2022 £44k Gift Aid is payable by GCU Academy to the University (2021: £83k).

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 2022 \$28.1m (£23.1m) (2021: \$28.1m (£20.2m)) of this loan had been drawn down. During 2019/20, the University took the decision to impair the loan value based on exceeding the agreed 30 year acceptable payback period. The impairment value reflects any amounts not forecast to be received within the 30 year period using an undiscounted value in use model. The impairment, at the time, assumed grant income from the University of \$18m in the calculation. Within the University view of the Consolidated Statement of Comprehensive Income and Expenditure is an impairment amount of c\$10.6m (£8.1m) which is eliminated on consolidation, as at 31 July 2022 this amount remains unchanged. No adjustment has been made in GCNYC as the loan remains payable by GCNYC to GCU. During 2021/22 the University made a grant award to GCNYC of 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 2022

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.

On 28 May 2008 GCU INTO Limited entered into a loan agreement to lend up to £350k to INTO Scotland LLP, at an interest rate of 2% above the base lending rate of Royal Bank of Scotland plc. This loan agreement was subsequently amended during 2019/20 and the new principal amount was set at £800k. At 31 July 2020 £800k of the loan had been drawn down (2019: £350k). HMRC confirmed that the investment was a qualifying investment for tax purposes, as it was to be used to advance Education.

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.

The University's investment with GCU INTO Ltd of £950k was impaired during 2020/21; this represented the write off of the investment (£150k) and the loan balance (£800k).

GCU, GCU INTO Limited and INTO Scotland LLP previously had financial years that end on 31 July. Both GCU INTO Limited and INTO Scotland LLP were both dissolved during 2021/22.

	£000	2022 £000	£000	2021 £000
<b>Income and expenditure account</b>				
Income	-	-	-	74
Deficit before tax	-	-	-	(400)
<b>Balance sheet</b>				
Fixed assets	-	-	-	-
Current assets	-	-	-	-
	-	-	-	-
Creditors: amounts due within one year	-	-	-	-
Creditors: amounts due after more than one year	-	-	-	-
	-	-	-	-
	-	-	-	-

Notes to the Financial Statements (continued)  
For the year ended 31 July 2022

14	Trade and other receivables	Consolidated	University	Consolidated	University
		2022	2022	2021	2021
		£000	£000	£000	£000
Amounts falling due within one year:					
	Other trade receivables	11,887	11,517	9,009	8,720
	Other receivables	153	147	55	15
	Provision for bad and doubtful debts	(3,941)	(3,941)	(2,695)	(2,695)
	Prepayments and accrued income	9,058	8,958	7,098	6,852
	Amounts due from subsidiary companies	-	523	-	527
	Amounts falling due after more than one year	-	15,086	-	12,193
		<b>17,157</b>	<b>32,290</b>	<b>13,467</b>	<b>25,612</b>

The University entered into a loan agreement to lend a maximum aggregate of \$30.7m to GCNYC. At 31 July 2022 \$28.1m (£23.1m) (2021: \$28.1m (£20.2m)) of this loan had been drawn down and is payable after more than one year. Following an impairment review carried out in 2019/20, the University took the decision to impair the loan value, based on the amounts not forecast to be received within the agreed 30 year payback period. The impairment value reflects any amounts not forecast to be received within the 30 year period using an undiscounted value in use model. Within the university view of the 2019/20 financial statements, an impairment amount of c\$10.6m (£8.1m) was recognised which was eliminated on consolidation, as at 31 July 2022 this impaired amount remains unchanged. The full loan amount remains payable by GCNYC. During 2021/22, the University made a grant award to GCNYC of c\$4.5m (c£3.4m).

15	Current investments	Consolidated	University	Consolidated	University
		2022	2022	2021	2021
		£000	£000	£000	£000
	Short term deposits	<b>50,058</b>	<b>50,000</b>	24,050	24,000

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 2022, the weighted average interest rate of these fixed rate deposits was 1.40% per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 108 days. The fair value of these deposits was not materially different from the book value.

16	Creditors: amounts falling due within one year	Consolidated	University	Consolidated	University
		2022	2022	2021	2021
		£000	£000	£000	£000
	Unsecured loans	804	804	898	766
	Trade payables	5,910	5,747	3,776	3,491
	Social security and other taxation payable	1,990	1,990	1,822	1,822
	Amounts owing to subsidiary companies	-	-	-	-
	Accruals and deferred income	48,043	45,036	34,512	31,909
		<b>56,747</b>	<b>53,577</b>	<b>41,008</b>	<b>37,988</b>

Included in accruals and deferred income are deferred capital grants to be released within one year of £457k (2020/21: £457k).

Notes to the Financial Statements (continued)  
For the year ended 31 July 2022

17 **Creditors: amounts falling due after more than one year**

	<b>Consolidated</b>	<b>University</b>	Consolidated	University
	<b>2022</b>	<b>2022</b>	2021	2021
	<b>£000</b>	<b>£000</b>	£000	£000
Unsecured loans	<b>4,387</b>	<b>4,387</b>	5,198	5,198
Deferred income – deferred capital grants	<b>7,069</b>	<b>7,069</b>	7,526	7,526
	<b>11,456</b>	<b>11,456</b>	12,724	12,724
	<b>Consolidated</b>	<b>University</b>	Consolidated	University
	<b>2022</b>	<b>2022</b>	2021	2021
	<b>£000</b>	<b>£000</b>	£000	£000
<b>Analysis of unsecured loans:</b>				
<b>Due within one year (Note 16)</b>	<b>804</b>	<b>804</b>	898	766
Due between one to two years	<b>842</b>	<b>842</b>	804	804
Due between two and five years	<b>2,783</b>	<b>2,783</b>	2,657	2,657
Due in five years or more	<b>762</b>	<b>762</b>	1,737	1,737
<b>Due after more than one year</b>	<b>4,387</b>	<b>4,387</b>	5,198	5,198
<b>Total unsecured loans</b>	<b>5,191</b>	<b>5,191</b>	6,096	5,964

An unsecured bank loan of £10m (2021: £10m) from the Lloyds Banking Group backed by the European Investment Bank is repayable in instalments between 16 February 2015 and 15 February 2028 and interest is charged at a fixed rate of 4.84%.

18 **Deferred capital grants**

	<b>Consolidated &amp; University</b>		
	<b>Buildings</b>	<b>Equipment</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>At 1 August 2021</b>			
Funding Council	6,160	1,825	<b>7,985</b>
Other	-	-	-
	<b>6,160</b>	<b>1,825</b>	<b>7,985</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)	<b>(457)</b>
Other	-	-	-
	<b>(305)</b>	<b>(152)</b>	<b>(457)</b>
<b>At 31 July 2022</b>			
Funding Council	5,885	1,673	<b>7,528</b>
Other	-	-	-
	<b>5,885</b>	<b>1,673</b>	<b>7,528</b>

Notes to the Financial Statements (continued)  
For the year ended 31 July 2022

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 2021	1,805	61,085	5,103	67,993	2,830
Utilised in year	-	(61,085)	(471)	(61,556)	(2,650)
Additions in year	3,541	-	-	3,541	-
Unused amounts reversed in year	-	-	(708)	(708)	-
<b>At 31 July 2022</b>	<b>5,346</b>	<b>-</b>	<b>3,924</b>	<b>9,270</b>	<b>180</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 2021	1,805	61,085	5,103	67,993	2,975
Utilised in year	-	(61,085)	(471)	(61,556)	(2,795)
Additions in year	3,541	-	-	3,541	-
Unused amounts reversed in year	-	-	(708)	(708)	-
<b>At 31 July 2022</b>	<b>5,346</b>	<b>-</b>	<b>3,924</b>	<b>9,270</b>	<b>180</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>3.45</b>
Inflation	<b>2.8</b>

**Other provisions**

The 'Other' provision represents obligations in respect of the University's investment in the joint venture and leasehold dilapidations representing the cost of restoring the leasehold building to its original condition.



Notes to the Financial Statements (continued)  
For the year ended 31 July 2022

20 Endowment Reserves

	Restricted permanent endowments £000	Unrestricted permanent endowments £000	Expendable endowments £000	2022 £000	2021 £000
At 1 August					
Capital	286	8	80	374	366
Accumulated income	50	-	(7)	43	63
	336	8	73	417	429
Investment income	6	-	2	8	7
Expenditure	(48)	-	(49)	(97)	(27)
Increase/(decrease) in market value of investments	(2)	-	(8)	(10)	8
<b>Total endowment comprehensive income for the year</b>	<b>(44)</b>	<b>-</b>	<b>(55)</b>	<b>(99)</b>	<b>(12)</b>
<b>At 31 July</b>	<b>292</b>	<b>8</b>	<b>18</b>	<b>318</b>	<b>417</b>
<b>Represented by:</b>					
Capital	283	8	72	363	374
Accumulated income	9	-	(54)	(45)	43
	292	8	18	318	417
<b>Analysis by purpose:</b>					
Scholarships and bursaries	5	-	18	22	108
Prize funds	287	-	-	287	301
Other	-	8	-	9	8
	292	8	18	318	417
<b>Analysis by asset:</b>					
Non-current asset investment				254	358
Cash and cash equivalents				64	59
				318	417

Notes to the Financial Statements (continued)  
For the year ended 31 July 2022

21 **Restricted reserves**

	<b>2022</b>	2021
	<b>£000</b>	£000
At 1 August	<b>501</b>	573
New donations	<b>197</b>	109
Expenditure	<b>(199)</b>	(181)
<b>Total restricted comprehensive income for the year</b>	<b>499</b>	501
<b>At 31 July</b>	<b>499</b>	501
<b>Analysis by purpose:</b>		
Scholarships and bursaries	<b>445</b>	467
Prize funds	-	-
Other	<b>54</b>	34
	<b>499</b>	501

22 **Cash and cash equivalents**

<b>Consolidated</b>	<b>At 1 August</b>	<b>Cash flows</b>	<b>At 31 July</b>
	<b>2021</b>	<b>£000</b>	<b>2022</b>
	<b>£000</b>		<b>£000</b>
Cash and cash equivalents	21,500	(1,515)	<b>19,985</b>

Notes to the Financial Statements (continued)  
For the year ended 31 July 2022

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>2022</b>	<b>2022</b>	2021	2021
	<b>£000</b>	<b>£000</b>	£000	£000
Commitments contracted for	1,627	1,627	2,210	2,210
Authorised but not contracted for	6,262	6,262	1,167	1,167
	<b>7,889</b>	<b>7,889</b>	<b>3,377</b>	<b>3,377</b>

24 **Lease obligations**

Total rentals payable under operating leases:

	<b>Land and buildings</b>	<b>Plant and machinery</b>	<b>Other leases</b>	<b>2022</b>	2021
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	£000
<b>Payable during the year</b>	<b>1,395</b>	<b>179</b>	<b>13</b>	<b>1,587</b>	1,388
<b>Future minimum lease payments due:</b>					
Not later than one year	2,829	335	5	<b>3,169</b>	2,972
Later than one year and not later than five years	11,137	522	-	<b>11,659</b>	11,001
Later than five years	6,665	-	-	<b>6,665</b>	12,524
	<b>20,631</b>	<b>857</b>	<b>5</b>	<b>21,493</b>	26,497

25 **Events after the reporting period**

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

At the date of signing the £10m loan facility with Lloyds banking group was fully repaid.

Notes to the Financial Statements (continued)  
For the year ended 31 July 2022

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
*GCU INTO Limited	Holds University share in INTO Scotland LLP	Dissolved	Scotland
Glasgow Caledonian New York College (GCNYC)	The provision of Master of Science degree programs	100% controlled	New York, US

\*GCU INTO Ltd was dissolved with an effective date of 30th April 2022, after the dissolution of INTO Scotland LLP became final.

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 2022 are:

	%
STSS	23.0%
SPF	19.3%
USS to 31 March 2022	21.4%
USS from April 2022	21.6%

27 Pension schemes (continued)

	2022 £000	2021 £000
The total pension costs for the year were:		
Normal contribution to:		
STSS – contributions paid	6,872	6,653
SPF – charge to income and expenditure account	5,232	5,070
FRS 102 pension costs	10,746	8,827
USS – contributions paid	1,065	891
401K plan – contributions paid	37	31
	<b>23,952</b>	<b>21,472</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.

There has been a change in approach in allowing for inflation experience at 31 Jul 2022 to make allowance for the exceptionally high inflation over the period since September 2021. The Defined Benefit Obligation (DBO) at 31 Jul 2022 includes allowance for emerging experience up to July 2022, which has increased the DBO at 31 Jul 2022 by £11.2m.

#### 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 2022 valuation results, rolled forward onto the FRS 102 assumptions at 31 July 2022.

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:

	2022	2021
Pension increase (CPI)	2.75%	2.85%
Rate of increase in salaries	3.25%*	3.20%*
Rate of increase of pensions	2.75%**	2.85%
Discount rate	3.5%	1.6%

\* 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.

\* Composite salary increase assumption of 3.2% as at 31 July 2021 (3.0% p.a. until 31 July 2022 followed by 3.0% for the four years to 31 July 2026 and 3.35% p.a. thereafter), taking account of the average term to retirement.

\*\* The long term expected increases in pensions are in line with the CPI assumption of 2.75% per annum, however the assumptions allows for the increases due on 1 April 2023 to be 9.9% based on inflation experience since September 2021 as a one off increase which is not in line with the long term CPI assumption.

Notes to the Financial Statements (continued)  
For the year ended 31 July 2022

27 Pension schemes (continued)

The Strathclyde Pension Fund (continued)

Mortality assumptions

The life expectancies used to determine benefit obligations are:

	Male	Female
Current pensioners (age 65 at the most recent triennial valuation)	19.6 years	22.4 years
Future pensioners (age 45 at the most recent triennial valuation)	21.0 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 mortality rate is based on publicly available mortality tables for the specific country. COVID-19 has caused a short-term increase in deaths in the UK but excess deaths to date have not generally had a material impact on the UK pension scheme liabilities. The future impact of COVID-19 on long term mortality improvements is currently uncertain with potential adverse implications of delayed medical interventions and long COVID along with positive implications if the surviving population is less frail or the pandemic causes improved healthcare initiatives and lifestyle changes. Overall, the Group believes currently there is insufficient evidence to require an explicit adjustment to the mortality assumptions for COVID-19.

The assets in the scheme were:

	2022	2021	2020	2019	2018
	£000	£000	£000	£000	£000
Equities	158,033	161,690	127,112	132,339	119,202
Bonds	60,203	58,796	50,441	48,864	40,976
Property	27,593	22,048	22,194	20,360	20,488
Cash	5,017	2,448	2,018	2,035	5,587
	<b>250,846</b>	<b>244,982</b>	<b>201,765</b>	<b>203,598</b>	<b>186,253</b>
Weighted average expected long term rate of return	<b>3.5%</b>	1.6%	1.4%	2.3%	2.9%

Notes to the Financial Statements (continued)  
For the year ended 31 July 2022

27 Pension schemes (continued)

The Strathclyde Pension Fund (continued)

	2022 £000	2021 £000
<b>Analysis of the amount shown in the balance sheet for SPF:</b>		
Scheme assets	250,846	244,982
Scheme funded liabilities	(217,800)	(305,755)
Scheme unfunded liabilities	(256)	(312)
<b>Deficit in the scheme - net pension asset/ (liability)</b>	<b>32,790</b>	<b>(61,085)</b>
Current service costs	(15,983)	(13,897)
Past service costs (including curtailments)	-	-
<b>Total operating charge</b>	<b>(15,983)</b>	<b>(13,897)</b>
<b>Analysis of the amount charged to interest payable for SPF:</b>		
Interest cost	(5,003)	(3,956)
Expected return on assets	3,941	2,842
<b>Total net interest</b>	<b>(1,062)</b>	<b>(1,114)</b>
<b>Analysis of other comprehensive income for SPF:</b>		
Change in demographic assumptions	1,256	5,918
Change in financial assumptions	106,058	(32,898)
Other experience	(551)	9,086
Return on assets	(1,113)	41,968
<b>Total other comprehensive income before deduction for tax</b>	<b>105,650</b>	<b>24,074</b>
	2022 £000	2021 £000
<b>Cumulative actuarial loss recognised as other comprehensive income:</b>		
Cumulative actuarial gains / (losses) recognised at the start of the year	50,460	(26,386)
Cumulative actuarial (losses)/ gains recognised at the end of the year	55,190	50,460
	2022 £000	2021 £000
<b>Analysis of movement in surplus/ (deficit):</b>		
<b>Deficit at beginning of year</b>	<b>(61,085)</b>	<b>(75,252)</b>
Contributions or benefits paid by the University	5,237	5,070
Contributions in respect of unfunded benefits	33	34
Current service cost	(15,983)	(13,897)
Past service costs (including curtailments)	-	-
Other finance charge	(1,062)	(1,114)
Gain recognised in other comprehensive income	105,650	24,074
<b>Surplus/ (Deficit) at end of year</b>	<b>32,790</b>	<b>(61,085)</b>

Notes to the Financial Statements (continued)  
For the year ended 31 July 2022

27 Pension schemes (continued)

The Strathclyde Pension Fund (continued)

	2022 £000	2021 £000
<b>Analysis of movement in the present value of SPF liabilities:</b>		
<b>At 1 August</b>	<b>306,067</b>	277,017
Current service cost (net of member contributions)	15,983	13,897
Past service costs (including curtailments)	-	-
Interest cost	5,003	3,956
Actual member contributions	1,805	1,754
Actuarial (gains)/ losses	(106,763)	13,546
Unfunded benefits paid	(33)	(34)
Actual benefits paid	(4,006)	(4,069)
<b>At 31 July</b>	<b>218,056</b>	306,067

	2022 £000	2021 £000
<b>Analysis of movement in the fair value of scheme assets:</b>		
<b>At 1 August</b>	<b>244,982</b>	201,765
Expected return on assets	3,941	2,842
Actuarial (losses)/ gain on assets	(1,113)	37,620
Actual contributions paid by the University	5,237	5,070
Actual contributions in respect of unfunded benefits	33	34
Actual member contributions	1,805	1,754
Unfunded benefits paid	(33)	(34)
Actual benefits paid	(4,006)	(4,069)
<b>At 31 July</b>	<b>250,846</b>	244,982

The University expects to contribute £5,237k to the Strathclyde Pension Fund in 2022/23. There were no outstanding contributions at the balance sheet date (2021: nil).

The University is reporting a pension asset of £32.8m in relation to its share of assets and liabilities in the SPF. This surplus on the balance sheet is lower than the asset ceiling calculated at 31 July 2022 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 profit and loss account is £6,872k (2021: £6,653k). Contributions outstanding at the balance sheet date were nil (2021: nil).



27 Pension schemes (continued)

**Universities Superannuation Scheme**

The total cost charged to the income and expenditure account is £1,065k (2021: £891k). There were no outstanding contributions at the balance sheet date (2021: nil).

Deficit recovery contributions due within one year for the institution are £350k (prior year: £238.6k).

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)).

2022	
Pension increases (CPI)	<b>Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less:</b>  <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>
Pension increases (subject to a floor of 0%)	<b>CPI assumption plus 0.05%</b>
Discount rate (forward rates)	<b>Fixed interest gilt yield curve plus:</b> <b>Pre-retirement: 2.75% p.a.</b> <b>Post retirement: 1.00% p.a</b>

Notes to the Financial Statements (continued)  
For the year ended 31 July 2022

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:

	2022	2021
Males currently aged 65 (years)	23.9	24.6
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.6
Females currently aged 45 (years)	27.3	27.9

A new 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 2022 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2022	2021
Discount rate	3.45%	1.55%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.80%	2.8%

## 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	Covid fund £000	Total £000
At 1 August 2021	391	38	3	1,265	1,697
Allocation received in year	538	819	182	-	1,539
Expenditure	(181)	(1,159)	(181)	(1,021)	(2,542)
Repaid by clawback	(379)	(38)	(3)	-	(420)
Virements	(96)	340	-	(244)	-
<b>At 31 July 2022</b>	<b>273</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>274</b>
<b>Repayable as clawback</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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 2022, 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 2022, 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 2022 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 2022 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>2022</b>	<b>2022</b>	2021	2021
	<b>£000</b>	<b>£000</b>	£000	£000
Trade debtors and other receivables	<b>17,157</b>	<b>32,290</b>	13,467	25,612
Cash and cash equivalents	<b>19,985</b>	<b>18,194</b>	21,500	20,032
Current investments	<b>50,058</b>	<b>50,000</b>	24,050	24,000
Trade creditors and other payables	<b>(68,203)</b>	<b>(65,033)</b>	(53,732)	(50,712)
	<b>18,997</b>	<b>35,451</b>	5,285	18,932

Notes to the Financial Statements (continued)  
For the year ended 31 July 2022

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	2022 £000	2022 £000	2021 £000	2021 £000
42		BS - Total Funds less Restricted Reserves	Net assets without donor restrictions	-	222,209	-	116,835
42	20, 21	BS - Restricted Reserves	Net assets with donor restrictions	-	817	-	918
42, 49	11	BS - Property, plant and equipment, net (includes Construction in progress)	Property, plant and equipment, net (includes Construction in progress)	176,433	-	179,526	-
42, 49	11	BS - Property, plant and equipment - pre-implementation	Property, plant and equipment - pre-implementation	-	176,433	-	175,948
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	-	358	-	495
42, 49	11	BS - Fixed Assets, Asset under construction	Construction in progress	-	2,869	-	3,083
42	Pension Asset	BS - Intangible assets	Intangible assets	-	32,790	-	-
42	11	BS - Pension provision	Post-employment and pension liabilities	-	9,270	-	67,993
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	5,191	-	6,096	-
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	-	5,191	-	6,096
42, 57	21	BS - Restricted Reserves	Net assets with donor restrictions: restricted in perpetuity	-	499	-	501

Notes to the Financial Statements (continued)  
For the year ended 31 July 2022

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

**Total Expenses**

Page	Note	Financial Statements Description	Supplementary Schedule Description	2022 £000	2022 £000	2021 £000	2021 £000
38		CSCI - Operating Expenses	Total expenses without donor restrictions - taken directly from Statement of Activities	-	154,249	-	136,728
38, 62	27	CSCI - Actuarial Gain on Pension Scheme CSCI - Share of JV	Non-Operating and net investment (loss)	-	(107,750)	-	(23,857)
38, 45	5	CSCI - Investment Income	Net investment losses	-	(291)	-	(159)

**Modified Net Assets**

Page	Note	Financial Statements Description	Supplementary Schedule Description	2022 £000	2022 £000	2021 £000	2021 £000
42		BS - Total Funds less Restricted Reserves	Net assets without donor restrictions	-	222,209	-	116,834
30	20, 21	BS - Restricted Reserves	Net assets with donor restrictions	-	817	-	918
42		BS - Total Assets	Total Assets	-	300,679	-	242,308

**Net Income Ratio**

Page	Note	Financial Statements Description	Supplementary Schedule Description	2022 £000	2022 £000	2021 £000	2021 £000
38		BS - Change in net assets excluding restricted reserves	Change in net assets without donor restrictions	-	105,374	-	21,635
38		BS - Total Revenue and Gains	Total Revenue and Gains	-	151,842	-	134,423



University for the Common Good

**Glasgow**

Cowcaddens Road,  
Glasgow, G4 0BA, Scotland,  
United Kingdom

[www.gcu.ac.uk](http://www.gcu.ac.uk)

**London**

40 Fashion Street,  
London, E1 6PX, England,  
United Kingdom

[www.gculondon.ac.uk](http://www.gculondon.ac.uk)

**New York**

64 Wooster Street,  
New York, NY 10012,  
USA

[www.gcnyc.com](http://www.gcnyc.com)