



Annual Report & Accounts

Year Ended: 31st July 2009



Magnusson Scholar Silvia Garcia in Sierra Leone

2008 – 2009

Annual Report and Accounts

Year Ended: 31 July 2009

Contents

Annual Operating and Financial Report	3
Responsibilities of the University Court	16
Court and Committee Members	16
Corporate Governance Statement	18
Report of the Independent Auditors	20
Statement of Principal Accounting Policies	21
Consolidated Income and Expenditure Account	23
Statement of Historical Cost Surpluses	24
Statements of Consolidated Total Recognised	
Gains and Losses	24
Balance Sheets	25
Consolidated Cash Flow Statement	26
Reconciliation of Net Cash Flow to Movement	
in Net Funds	26
Notes to the Accounts	27

University's Professional Advisors

Bankers

Royal Bank of Scotland plc

23 Sauchiehall Street
Glasgow
G2 3AD

Loan Facility

Allied Irish Bank (GB)

227 West George Street
Glasgow
G2 2ND

External Auditors

Grant Thornton UK LLP

Chartered Accountants and Registered Auditor
95 Bothwell Street
Glasgow
G2 7JZ

Internal Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditor
141 Bothwell Street
Glasgow
G2 7EQ

Solicitors

Brodies LLP

Solicitors
15 Atholl Crescent
Edinburgh
EH13 8JA

Solicitors

MacRoberts LLP

Solicitors
152 Bath Street
Glasgow
G2 4TB

Solicitors

Biggart Baillie LLP

310 St Vincent Street
Glasgow
G2 5PR

Glasgow Caledonian University Annual Operating and Financial Report 2009

- **Staff**

Welcoming, professional, solutions-oriented, confident and engaging staff, with colleagues committed to leadership, career development and to enhancing the social and emotional capital of the University.

- **How we do things**

Creative, collaborative, inclusive, open, accessible, and action-oriented.

Mission and Vision

Our Mission

Glasgow Caledonian University's mission is to provide a high quality accessible, inclusive and flexible learning and teaching environment which is enhanced by curiosity-driven research and which applies its knowledge and skills for the social and economic benefit of the communities it serves in Scotland and around the world.

Our 2015 Vision

Building on the cornerstones of excellence in learning and teaching and in research, our vision is to become a distinctive, socially entrepreneurial University which is led by our values, focused on delivering our goals and committed to discharging our responsibility to promote social good.

Our University will be known for:

- **Learning and teaching**

Emphasising a modern, flexible and effective approach which makes the best use of information and communication technologies to deliver a broadly based and innovatively delivered curriculum reflecting our vision.

- **Academic excellence in research**

Focussing particularly on our current strengths in health, the environment, creative cultures, business and technologies and social justice, and committed to the widest dissemination and application of research findings.

- **International outlook**

Reaching outward internationally to enhance cultural understanding, diversify our curriculum and our staff and student body and advance our commitment to scholarship and learning, to social justice and equality of opportunity.

- **Social enterprise, social inclusion and the common good**

Focusing on social enterprise wherever possible, delivering our social mission with an enhanced capacity to commercialise what we do with flair, harnessing all of the intellectual capital of the institution and, at the same time, engaging effectively with communities.

- **Graduates**

Developing global graduates and citizens, employable, entrepreneurial, mobile, practical and resourceful.

Executive Summary

Glasgow Caledonian University's financial base is still solid in a challenging economic environment, with a modest but growing surplus and no borrowings. Demand from students for our professionally oriented courses remains strong in a period when securing positions in the graduate job market is increasingly testing. Any future concerns must centre around the mid to long term financial sustainability following potential reductions in Government's funding of the sector.

This annual report covers a year in which the University achieved significant distinction for research in the Research Assessment Exercise (RAE); enhanced learning and teaching through leading-edge technology; forged new and long-lasting business and international partnerships; and expanded our social mission through our partnership with Professor Muhammad Yunus and the Grameen Trust. Good progress has been made towards completing the priority areas and supporting goals and targets outlined in last year's report as set out in the outcomes described below.

The University performed exceptionally well in the 2008 RAE, with results demonstrating world-leading excellence in applied research. Our research in applied health research achieved outstanding success, in the top 10 universities in the UK, and our work in rehabilitation sciences was placed top in the UK. Our research in construction and the built environment was rated best in Scotland, and in the top 20 in the UK. The RAE results also demonstrated international quality in Public Policy, Biomedical Sciences, Vision Sciences, Cultural Business, Engineering and Computing, and Education. Cross-disciplinary research Institutes have been established to provide additional strategic research focus in the areas (Society & Social Justice and Health & Wellbeing). We are continuing to build innovative partnerships with international companies such as Howden, with whom we are delivering a global programme for graduate engineers. We continued our work with local Scottish businesses and Scottish Enterprise, rolling out the Applied Knowledge Exchange to allow businesses to access our expertise. The Exchange is a portal offering businesses and public sector organisations, such as Shell, Howden, Thales, Clyde Pumps, Scotbeef, Waverley Excursions and the Malawi Institute of Tourism, access to the expertise of the university's academics.

Our revised Learning Teaching and Assessment Strategy was launched last year and has started to deliver improvements in progression and retention in a number of academic schools, as well as promoting innovative delivery of teaching. Our staff are committed to enhancing the student experience, and this was recognised by the 2008 Times Higher Education (THE) Award for Outstanding Support for Overseas Students, top in Scotland for fourth time in a row in the International Student Barometer Survey and overall satisfaction rated above the UK average in the 2008 and 2009 National Student Surveys.

Building on our experience in Oman, the University has established partnerships with the University of Jinan in China and the University of Rajasthan in India to develop joint degree offerings and students and staff exchanges. Our efforts to realise our international ambitions earned the University the 2008 Scottish Council for Development and Industry (SCDI) Award for International Achievement. INTO Scotland, our joint venture International College, has made a good start upon

delivery of high quality foundation courses, teaching over 200 students in its inaugural year.

Our University remains committed to its mission to promote the common good. The University continued to invest to raise the aspirations of Glasgow's young people and their families through the Caledonian Club and our work with the local community. In Sighthill, the University has established a partnership with Professor Muhammad Yunus, Nobel Laureate, holder of the Presidential Medal of Freedom, and Magnusson Fellow. The partnership will leverage our teaching and research strengths to help tackle aspects of poverty and inequality. Working with the Grameen Trust to facilitate the establishment of a branch of the Grameen micro credit bank in Scotland we have established the Grameen Glasgow Caledonian Creative Lab to engage in multidisciplinary research on social business and health.

Our success has been due to the enormous contributions made by our staff and students and the University has now firmly established its distinctiveness as an international modern university committed to access and excellence.

Contributions to Scotland and its economic and social development

The university has a strong tradition of collaboration with public sector bodies and business. Both University Court members and staff undertake public service activity which contributes materially to Scotland's social and economic advancement. Staff across the university at all levels are committed to meeting Scotland's social and economic priorities through their teaching, research and business development activities. Details of various University initiatives are set out in the following pages.

Principal Professor Pamela Gillies was honoured by Bob Winter, Lord Provost of Glasgow, who presented her with the Lord Provost's Award for Services to Education in May 2009. The Lord Provost's awards recognise the achievement of those who have dedicated their professional lives to public service or distinguished themselves in their respective fields. This award recognises that the University, while internationally focused, is committed to the City of Glasgow and our local communities.

Professor Gillies also has been invited by the First Minister to become a member of the prestigious GlobalScot network. The GlobalScot network seeks to harness the skills, knowledge and expertise of successful business men and women, who possess a strong desire to promote and enhance the Scottish economy for the benefit of Scotland.

Building on her contribution to partnership working to reduce health inequalities as independent Chair of the Glasgow Health Commission, Professor Gillies has been elected to serve as Convener of the Universities Scotland Health Committee from 1st August 2009. Professor Gillies became a member of the Scottish Enterprise West Regional Advisory Board in October 2008 and in March 2009 she was invited to sit on the Poverty Truth Commission for Scotland. The Principal continues in roles as Trustee of British Council, the Saltire Foundation and as a member of the Confederation of British Industry's Council in Scotland.

Mr Martin Cheyne, Chair of the University Court, was elected as Convener of the Committee of Scottish Chairs (formerly CCSHEI). He sits on the Tripartite Advisory Group for Higher Education.



Winner of 2008 THE Award for Overseas Student Support

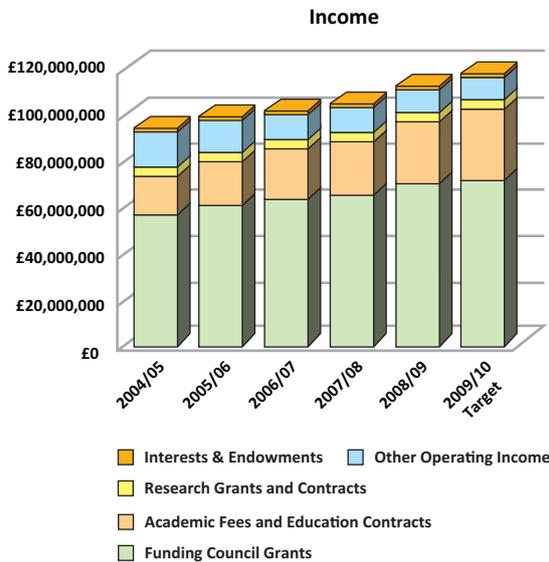


Winner of the 2009 Scottish Council for Development and Industry Award for International Achievement

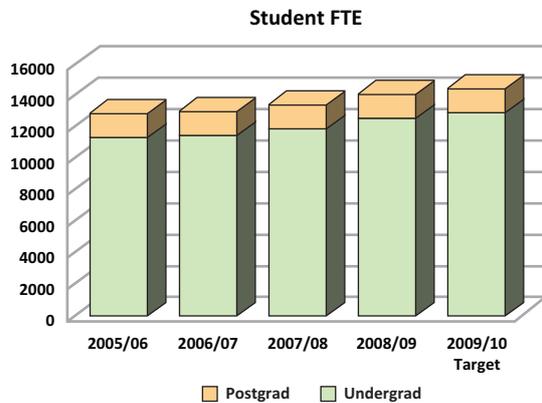
Highlights of 2008-2009

Finance

Income, Expenditure and Surplus

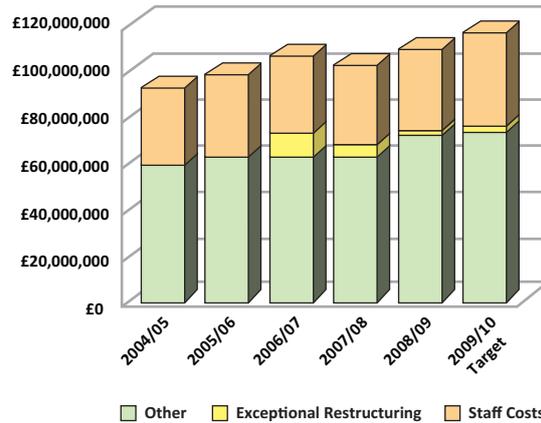


Income growth increased overall by 7% in 2008/2009, more than both the budget and last year. Increases were recorded in most categories, with a 15% increase in academic fees from new students and courses.



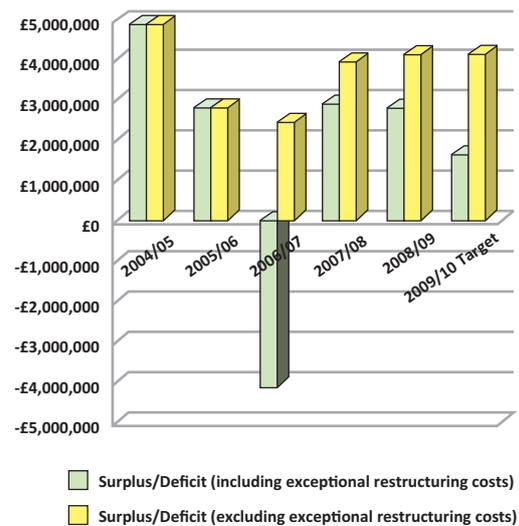
The overall increase in student numbers of 5% includes an increase of 19% in post graduate students, across both home and international markets. We aim to continue to improve in these increasingly competitive markets.

Expenditure



Costs have been contained tightly to enable staff to receive the substantial pay increases resulting from the previous national settlement and the increase in energy costs. The increase overall was 7%, including restructuring costs which were £1.3m, an increase of 25% on 2007/2008. Lower inflation in 2009 will assist our continued cost controls.

Surplus/Deficit

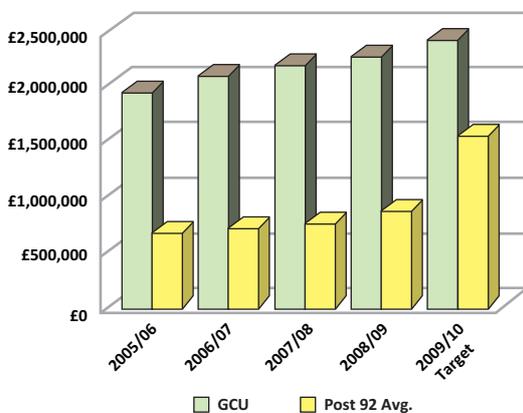


In line with our corporate plan goal, the University is now generating consistent modest surpluses which we will invest to achieve further growth. Focus is also on delivering growth from new activities, throughout a period in which the impact of the economic recession on public finances will be severe. The University's focus upon access to higher education for students from economically disadvantaged and previously under represented areas of Scotland may make us particularly vulnerable to expected future funding reductions.

Excellence in Research, Knowledge Transfer and Business Development

The University achieved an exceptionally strong performance in the rigorously peer reviewed UK-wide Research Assessment Exercise 2008 (RAE 2008). Our applied health research was judged to be in the top 10 universities in the UK, with our work in rehabilitation sciences placed top in the UK. Our research in construction and the built environment was rated the best in Scotland and in the top 20 in the UK. Following a highly selective process covering 14 academic areas, more than 70% of the staff entered were categorised as producing research of international quality with all demonstrating international research excellence in their profile. The results provide a robust benchmark of quality, confirm the strength of the University's applied research focus and mark a significantly improved position since RAE 2001.

Main Quality Research Grant Income

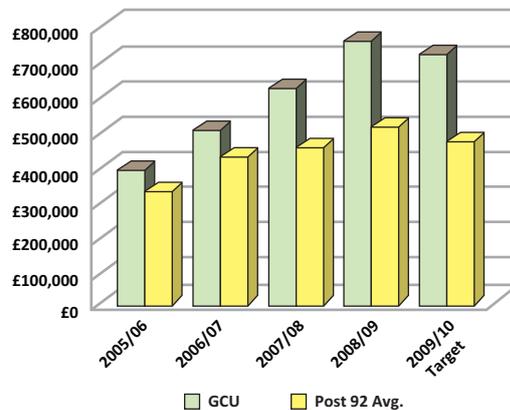


In order to build on the strategic focus on our areas of research strength, the University has established two cross-disciplinary Research Institutes: Health and Wellbeing; and Society and Social Justice. The Institute's Directors were appointed in Spring 2009 and investment has been provided to recruit externally a number of high-profile academic staff to develop new and current areas of research drawn from all the Schools of the University.

The University's researchers have continued to attract prestigious grants from the main UK Research Councils and leading UK Charities. Notable successes include grants from the Natural Environment Research Council (NERC) to study pollution effects on fish reproduction; the Economic and Social Research Council (ESRC) for research on education and nationalism; a Wellcome Trust Enhancement Award to establish a Glasgow Centre for research on the History of Health; the Engineering and Physical Sciences Research Council (EPSRC) to research high voltage electrical transmission and also to develop a minimally encumbering system to monitor patients in rehabilitation; and the Arthritis Research Council (ARC) for research developing ultrasound orthotics. The University has led on a number of European Framework awards, including Marie Curie Fellowship awards. Substantial funding will be received for two projects which will bring together researchers and industrial partners to develop ankle and foot orthotics for arthritis patients and eliminate pharmaceutical contamination.

The application of our research to real world problems in partnership with business continues to be a priority for the University. Our expertise in innovation has been recognised by our leadership of an EU Alpha Project to develop understanding of innovation together with three partner universities in Latin America. Our Knowledge Transfer Partnerships (KTP) portfolio encompasses a broad range of business sectors including IT, electronics, product design, business systems, environment and construction. This year we have engaged in a first KTP with a social enterprise, Street League, aimed to help unemployed young people to develop self-confidence. We are further engaged with providing expertise to a number of social enterprises in the Glasgow area. Knowledge connections for business continue to be developed through Interface and, especially through the innovative Business Transformation Fund funded by Scottish Enterprise and managed by our Applied Knowledge Exchange, which exceeded its targets in the first year of operation.

Knowledge Transfer Income



Learning and Teaching

The University gained an 84% overall level of satisfaction from its students in the National Survey for 2009. In October 2008 the University won the Times Higher Education (THE) award for outstanding support for overseas students and in October 2009 won the THE award for Widening Participation Initiative of the Year. The new Professor of Learning Innovation, based in the Caledonian Academy, David McConnell, took up post in October 2008 followed by the new Pro Vice Chancellor for Learning Innovation, Professor Sue Scott and the new Director of the Centre for Research in Lifelong Learning, Professor David Smith in February 2009.

While our levels of retention and progression have continued to improve, it is the view of the University that this process can be accelerated by a change to the structure of our teaching and the ways in which we design and deliver student assessments. We propose to change the shape of the academic year from September 2010 to facilitate this.

The merger of the University's two health Schools: Nursing, Midwifery and Community Health, and Health and Social Care into the new 'School of Health' came into being on 1st August 2009, with 400 staff and over 4000 undergraduate and postgraduate students. By bringing together the range of Health, Nursing and Social Care disciplines the School will be able to further develop inter-professional training and cross-disciplinary programmes, as well as support the University's already world leading research in the health field and expand international collaborations.

A new Masters programme in Television Fiction Writing, the first of its kind in the UK, has been developed in conjunction with SHED Productions and will launch in September 2009. We are continuously refreshing our portfolio of offerings, and we have recently launched innovative programmes such as 3D Computer Animation, Digital Forensics and e-Discovery. In May we became the only Scottish University to have both undergraduate and postgraduate Journalism programmes accredited by the National Council for the Training of Journalists and the Broadcast Journalism Training Council.

The Caledonian Academy has also continued to develop high level research in relation to learning innovation, with international partners, including SHELL, and to encourage Glasgow Caledonian University staff to become more involved in these developments and to develop innovative learning and teaching projects.

The roll-out of the improved Blackboard virtual learning environment has continued throughout the year and a new team is being established with Academy support to embed this work within academic programmes wherever possible.

The University's Second Life team now works within the Academy in order to ensure that activities in Second Life

become part of our students' learning experience. This year has seen the development of a hospital ward in Second Life where students can interact with virtual patients and a virtual scanner is being developed so that radiography students can have hands on experience which they would not be able to obtain in the 'real' world.

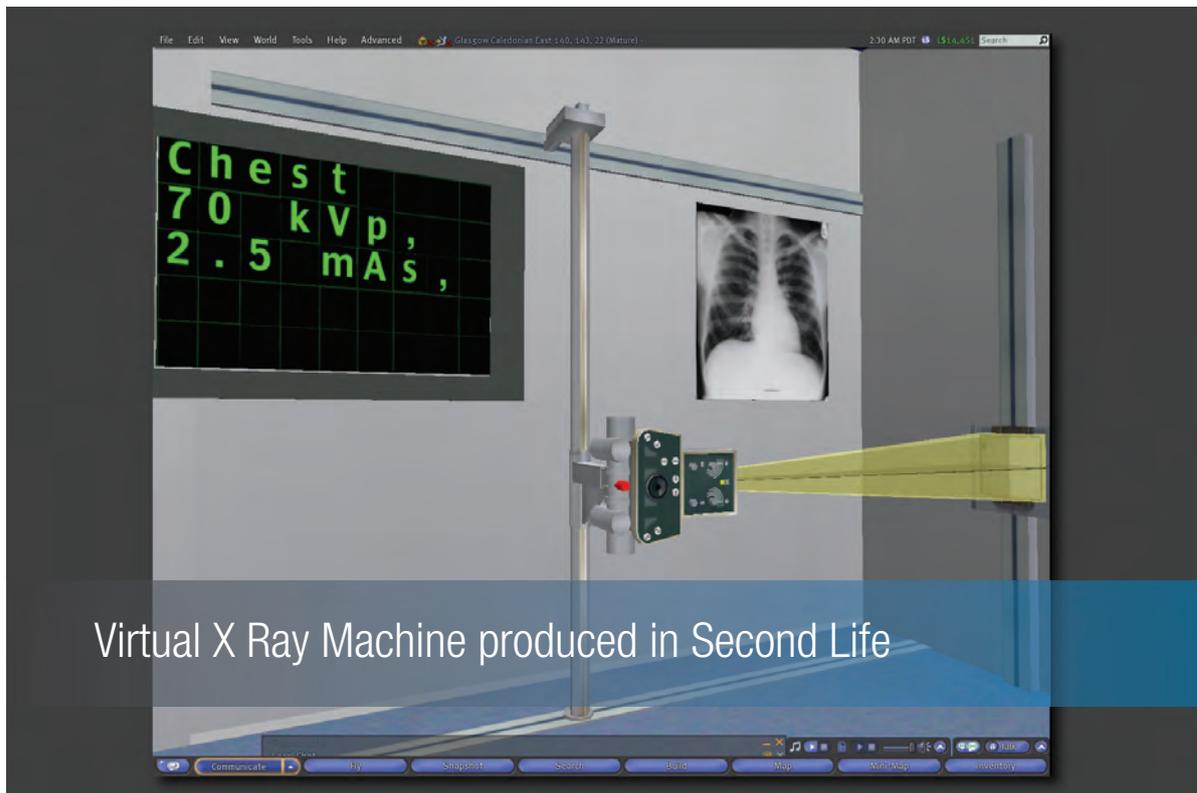
The University is in receipt of a number of Carnegie Cameron awards for students to undertake a range of taught Masters programmes.

The first students have graduated from the Glasgow Caledonian University 'Howden Academy' which provides advanced level professional development in aspects of engineering for Howden employees from all over the world. In June Howden won a Scottish Engineering Council award "making a significant contribution towards raising the standards of the engineering sector."

Work continues with Schools to ensure that employability skills are embedded in programmes in line with the Government's 'Learning to work' programme.

Engagement with the Students' Association has continued to be very positive and work is underway to construct a 24 hour student learning centre in the Students' Association Building.

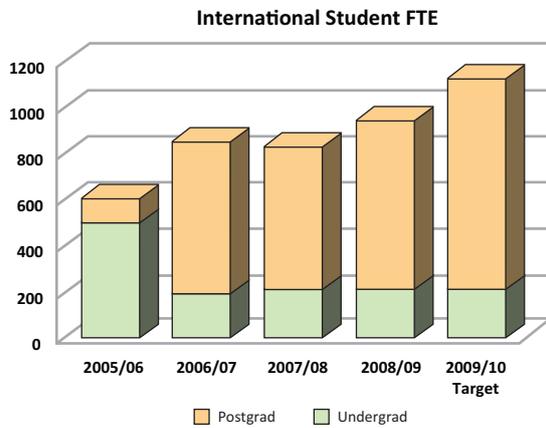
The University remains committed to promoting wider participation in higher education and has now established its role as the host institution for the Greater Glasgow Articulation Partnership which has been established in order to improve and support more systematic routes into University degree programmes from the area's Further Education colleges, supported by the Scottish Funding Council.



Virtual X Ray Machine produced in Second Life

International Outlook

The University remains committed to expanding its international activities. In 2008/09 our aims were to continue to develop and foster international partnerships and alliances, to increase the number of international students and to enhance the student experience.



We have grown international student numbers this year by 14%, and the positive experience enjoyed by our international students was recognised when the University was voted top in Scotland and second in the UK for international student experience in the International Student Barometer survey 2009, repeating our outstanding performance of the previous year. We now have over 100 countries represented on campus and we are proud of the cultural and ethnic diversity of our student body which enriches the lives of not only everyone at the University but also the City of Glasgow.

The University needs to be innovative in its approaches to international student recruitment in what is an increasingly competitive and dynamic global education market. A key element of this involves the creation of a small number of substantial overseas collaborations which can act as regional hubs, drawing in students from around the world and providing exchange opportunities for home students. During 2008-09 we continued to develop strategic partnerships to support student recruitment and exchange, to facilitate the delivery of programmes overseas and to strengthen research, knowledge transfer and consultancy.

Our Caledonian College of Engineering in Oman (CCEO) has now been operating for over 12 years. Over 2000 students studied our programmes in Oman in 2008-09 with further growth planned over the coming years, which makes CCEO the largest provider of UK Engineering and Construction qualifications in the region. Building on this success, we have agreed with the Omani Ministry for Health and Ministry for Education the establishment of a partnership for delivering a four year honours physiotherapy course locally in Oman.

This year we reached agreement with the University of Jinan in Shandong Province, for the joint delivery of undergraduate programmes in engineering and business, commencing in September 2009. Our own students visited Jinan in August 2009 to broaden their experience through academic and cultural activities, facilitated by a donation from Martin Currie Investment Management Limited and the Martin Currie Charitable Foundation.

India and Pakistan currently provide the largest international regional market for the University. To strengthen these markets we have signed partnerships agreements with the University of Rajasthan and the University of Rajasthan Health Sciences in Jaipur, North Eastern Hill University in Shillong and the Bahauddin Zakariya University in Multan, Pakistan. We are also continuing discussions with a commercial partner about the feasibility of operating a campus in India in anticipation that the Higher Education legislation in India will be more favourable following a new government coming to power in April 2009.

We have been invited to join the Banco Santander University network which will provide opportunities for funding for scholarships and academic collaborations, as well as giving us access to the South American market. This has been identified as a key market by the Scottish Government. We have identified two universities in that region with whom we hope to sign partnership agreements in 2009/10.

Additional investment in support of European student and staff exchange as well as European student recruitment has been made this year and during the coming years more emphasis will be placed on facilitating such activity to improve the number of our home students taking up opportunities for study abroad as part of our wider drive to broaden the student experience.

INTO Scotland, a joint venture between the University and INTO University Partnerships, was formed in May 2008 and welcomed its first students in June 2008. The purpose of the joint venture is to provide pathway programmes into University undergraduate and postgraduate provision for students whose first language is not English. At undergraduate level students successful completion of these programmes leads to entry to either the second or third year of University degree programmes. At postgraduate level the INTO programmes prepare students for entry to Masters programmes.

During 2008-09 over 200 students have taken courses at INTO Scotland. The majority of the students who successfully completed their programmes progressed on to study at the University. In the first year of operation programmes have been offered in Business, Engineering and the Built Environment. These will be supplemented by programmes in Health during 2009-2010. The focus in this first year has been to develop high quality programmes and student support, with a combined investment by the University and INTO of £600,000 – in line with the business plan.

People and Culture

This year, the University made three Executive Board appointments which significantly strengthened our senior leadership team: Ms Jan Hulme, University Secretary, Professor Sue Scott, Pro Vice-Chancellor, Learning Innovation; and Professor Mike Mannion, Pro Vice-Chancellor International.

Significant progress was made in embedding the University's Learning, Teaching and Assessment Strategy (LTAS), which included a high profile 'Change Academy' event, involving stakeholders from across the University. More generally, very good progress was made in embedding the overarching People Strategy, which identifies the key staff behaviours and attributes which the University is developing in support of the 2015 Vision.



Glasgow Caledonian Students attended Summer School in China and joined the Principal at the launch of collaborative programmes with University of Jinan in Shandong Province.



The innovative and highly successful Howden Academy was shortlisted for the best learning and development strategy award at the Higher Education Excellence Awards and the University's Organisational Development team was shortlisted for the Times Higher Education outstanding leadership and management team award. Howden Academy won the Glasgow Business Award for Excellence in Skills and Learning in October 2009. Howden was also the winner of the Bank of Scotland Award for the Most Outstanding Business and the Glasgow Business Award for Best Performing Business.

In addition to its passionate commitment to using our skills, facilities and knowledge to make a positive contribution to the West of Scotland, the University cherishes its diverse student body and staff. It extends a warm welcome to those of all faiths and none, and seeks to create graduates who are global citizens, with opportunities to learn and work with those of diverse backgrounds and cultures from all around the world.

Sustainability and Estates

We are the first University in Scotland to participate in the Eco-Campus scheme, and we have achieved a Bronze Award in line with our objective to implement an environmental management strategy. In May 2009 we also began a carbon management programme in association with the Carbon Trust which commits the University to reducing its carbon footprint. We will develop a carbon management plan for the University by June 2010, with the aim of reducing energy consumption and costs and raising awareness of climate change and energy use among staff and students.

As part of our commitment to green the campus, a major programme of landscaping and planting was completed this year and work is underway to provide additional green space with the demolition of the old Student Association building and the addition of a staff and student lounge area.

Financed principally through the Scottish Funding Council capital investment funding allocation, the University has:

- Continued the upgrade programme for the George Moore Building exterior
- Upgraded a number of lecture theatres
- Refurbished and upgraded laboratories within the George Moore Building.
- Demolished the former Students' Association building

This capital funding not only commits the University to an improved Learning and Teaching Environment but addresses our Sustainability Agenda through increased environmental controls. Campus Master Planning has been progressed in line with the 2015 vision with a full scoping exercise undertaken, with a tender to be awarded in autumn 2009.

Information Systems Development and Support

A Chief Information Officer was appointed in June 2008. In the first year the unit has formed cohesively into an IT development and support portfolio featuring three main service areas supporting Enterprise Information Systems, Information Support Services and Infrastructure and Contracts. The restructuring of the IT portfolio was completed in May 2009. Following this a strategic review of Library services has been

performed to ensure the service offerings align with the corporate vision and recommendations, once agreed, will be actioned in 2009.

Several major enhancements were made to the enterprise systems:

- Phase 2 of the new student system implementation has progressed during 2009, and a substantial number of modules are now operating. The key module involving student self registration was ready for students to use in July 2009.
- Blackboard, our virtual learning environment, has been improved with excellent performance, reliability and functionality.
- eProcurement - a project to automate the purchasing authorisation and order process, progressed through the pilot stage and was implemented in three Schools and departments by July. The remaining areas will be fully implemented by the close of the 2009 calendar year.
- Substantial improvements are underway in enhancing wireless and hard wired network and audio visual facilities across the University.

Development and Alumni Relations

In only the second year of the University's new fundraising and public engagement programme, total philanthropic support, cash and pledges, has exceeded £1.34million. For such a new programme, and during a worldwide recession, this support represents a great vote of confidence in the University from its many friends and supporters and already we have been grateful for the gifts received and the willingness of individuals, companies and trusts to get involved in the University's projects.

GCU benefits greatly from in-kind support – which can take many forms. This year we have received gifts of equipment from companies to extend our research, teaching and outreach activities. For example Specsavers donated an Icare eye tonometer which painlessly measures eye pressure; this will be put to immediate use in our community eye clinic in Glasgow's Sighthill area.

The Moffat Charitable Trust pledged £500,000 over five years in a generous continuation of its support for scholarships in travel, tourism, events and leisure subjects in the Caledonian Business School and of the work of the Moffat Centre. During the year we were delighted and grateful to mark a decade of support from the Moffat family. Among other grants received from trusts, was the support of the Robertson Trust for the Caledonian Club's innovative work in Drumchapel. Our student mentoring programme included work with nursery, primary and secondary schools.

The Kate MacAskill Foundation and alumnus and honorary graduate David Sibbald have made the first donation of a £150,000 pledge to the new Annual Fund, which supports a range of student-focused projects across the University.

The Cultural Business Division launched a unique Masters programme in TV Fiction Writing this September. Partnering with Shed Productions it aims to find fresh talent for the industry. With support from Shed, Scottish Screen, Talkback Thames, MB Alba and BBC Writersroom amounting to over £165,000, a healthy number of scholarships have been secured for the first three years.

The Magnusson Fund goes from strength to strength, with the inauguration of its Magnusson Fellowship and Lecture in December, delivered by Nobel Lauriat, Professor Muhammad Yunus. Magnusson Award winners received their awards from Sally Magnusson: Julie de Simone will use her Glitnir Award to support her work in the community looking at the benefits of music on individuals with mental health problems; Silvia Garcia used her Gordon Masterton Award to fund a visit to Freetown in Sierra Leone, where she helped create an action plan for waste management; Marta Kanabus used her Icelandair Award to take part in a volunteer AIDS awareness project in Kenya; and Una MacClone delivered a programme of nursery music workshops in Sighthill in Glasgow and participated in a programme of music for inner-city youth.

The University is now in regular contact with over 47,500 former students throughout the world. The alumni programme now includes over 30 International Alumni Ambassadors, assisting the University in its efforts to recruit and support overseas students and returning graduates. Alumni of the Queen's College have worked throughout the winter to help prepare the Centenary edition of the Glasgow Cookery Book and sixty alumni took part in the pilot of a Mentoring Programme where graduates support current undergraduate students with the transition from study to employment.

Grameen in Scotland Programme

Following the visit by Professor Yunus for the launch of the Magnusson Fellowship, the University and the Grameen Trust in Bangladesh have signed an agreement to work together on a range of important initiatives including – the creation of Grameen Glasgow (a micro credit programme to assist the poorest in our society), the Grameen Caledonian Creative Lab (a research centre focused on addressing social business and health challenges), the establishment of the world's first Yunus Chair in Social Business and Health and the formation of the Grameen Glasgow Caledonian University College of Health in Bangladesh. Together these initiatives form the Grameen in Scotland Programme for which a major fundraising campaign will soon be launched. Professor Yunus joined Principal Professor Pamela Gillies, Sir Tom Hunter, Dr Will Storrar, Rajah Shehadeh, Lord MacDonald of Tradeston and Sally Magnusson at the inaugural Fellowship meeting which discussed the role of education in the alleviation of poverty. Other Fellows include Professor Brenda Gourley, Vice Chancellor of the Open University, Dr Vigdis Finnbogadottir, former President of Iceland and entrepreneur, philanthropist and government advisor, Azeem Ibrahim.

Student Financial Support

One of the many ways that the University supports the community and extends access to higher education is through the awards and scholarships that it is able to provide. In recent years we have extended the number of bursaries, scholarships,

special awards and prizes that help to make the university experience open to all. These programmes are additional to the support the University itself provides and to the hardship funds provided by the Scottish Government. Almost £880,000 was secured in the form of gifts, grants and pledges during the year, specifically to extend the number of students benefitting from scholarships, bursaries and awards.

Public Benefit

It is a core aspect of Glasgow Caledonian University's mission to promote the common good and to this end we encourage both staff and students to engage in voluntary activities and community engagement. The Students Association runs a successful student leadership programme which encourages students to engage in such activities. The University has also been awarded the Frank Buttle Trust Quality Mark in connection with our work to support care leavers into Higher Education.

In July 2009 the Caledonian Club was shortlisted for a Times Higher Education (THE) Award. The Club works with schools and children and their families from some of Glasgow's most disadvantaged communities in order to raise educational aspirations.

The University has an active open lecture and masterclass programme. Contributors this year included Professor Muhammad Yunus (Founder of the Grameen Bank), Sir Jackie Stewart (Formula One legend), the Moffat lecture given by Liz Cameron (Vice-Chair of Glasgow City Marketing Bureau and former Lord Provost of Glasgow), Councillor Archie Graham (Executive Member for the Delivery of the Commonwealth Games), Kiran Mazumdar Shaw (Founder of Biocon, India) and Giovanni Benedetti (Glasgow-based entrepreneur).

Conferences held by the University included: "Getting it Right for Carers"; Newspaper industry summit – facilitated by Scottish Minister for Industry Jim Mather; Social Work conference: "The Aftermath of Baby P, Cuts, Recession and Bureaucracy: What Next for Social Work?"; Journalism – "Centres and Peripheries – metropolitan and non-metropolitan journalism"; "Ten Years On" – an international conference examining the political and social transformation of the nation since devolution, featuring Deputy First Minister Nicola Sturgeon MSP and Ann McKeichin MP.

University staff participated in Learning at Work day and raised money for Children in Need events at the University and students raised money for Dr Barnardo's Green Carpet event. Our Student Fashion Show was held this year at Glasgow's ABC 1 and the Environment Day included a nursery fashion show, stalls and fair-trade cooking demonstrations.

Angela McLaughlin is the Student of the Year. Angela is a psychology student who has been recognised for her work as a student mentor, and her role in establishing the Rainbow Foundation, offering counselling and art therapy to children suffering a chaotic home life through parental drug misuse and domestic violence.



Professor Muhammad Yunus, Nobel Laureate, USA Presidential Freedom Medal and Honorary Graduate



Student of the Year Angela McLaughlin

Management

The University's management is headed by the Principal and Vice-Chancellor, assisted by three Pro Vice-Chancellors, an Executive Director, a University Secretary and six Deans. The University is in process of making an appointment to the post of Pro Vice-Chancellor (External Relations).

Governance

The Court has agreed a set of key performance indicators which will help monitor performance and progress towards its 2015 Vision. The main areas covered include key targets set down in the corporate plan and ongoing trends at school and University level in the following areas: student numbers and income in key markets, progression and retention, widening access, and financial surplus. Details of the University's governance arrangements are set out in the following section.

Disability Policy

The University gives equal consideration to all applications for employment regardless of disability, and where a candidate with a disability is the best person for the job, full consideration is given to what reasonable adjustments are necessary to ensure the requirements of the job can be adequately fulfilled.

Where existing employees become disabled it is the University's policy, wherever practicable, to support employees in continuing employment by making appropriate adjustments where necessary. Members of staff who have a disability are employed under the same terms and conditions as their able bodied colleagues and the University provides training, career development and promotion opportunities to all staff, regardless of their disability wherever appropriate.

Equality and Diversity

Equality and diversity continues to be integrated across all University functions through a number of projects and activities, which aim to ensure that staff and students have knowledge of their rights and responsibilities, as well as relevant issues. The Equality and Diversity Strategy sets out our commitment to promoting equality and valuing diversity, ensures that University is compliant with legislation, and establishes clear lines of responsibility and accountability, with the ultimate goal of creating an environment which upholds dignity at work and study.

Risk Management

The University has a comprehensive corporate risk register that is fully mitigated and under control, and has moved further towards embedded risk analysis and reporting in its schools and support departments. Elements of the top six risks identified by the University are as follows: inability to manage consequences of substantial reductions in funding; inability to fund substantial new investments until credit lines re-open; inability to remain in surplus due to substantially increased labour costs or pension funding increases; heightened competition combined with adverse demographics, leading to inroads in markets by competition; failure to register international students & collect income, following failure of new immigration control systems; and pandemic causing the University's business continuity systems to fail with inability to teach students, collect income and pay staff & suppliers.

Payment Of Creditors

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

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

Looking Forward

The targets towards which we are focused for 2010 include:

- Becoming an international leader in learning innovation:
 - embedding the learning, teaching and assessment strategy.
- Enhancing the student experience and access to learning:
 - continuing to address progression and retention issues including implementation of the new academic year structure;
 - leading the Glasgow Articulation Partnership in conjunction with the local FE colleges;
 - and continuing to improve our admissions processes.
- Making a significant contribution to Glasgow's cultural and community development:
 - launching the Grameen Glasgow Caledonian Creative Lab;
 - and continuing to facilitate joint initiatives with the Grameen Trust.
- Investing in areas of strategic research strength:
 - expanding the cross-disciplinary research institutes for Health & Wellbeing and Society & Social Justice.
- Continuing to increase successful research grant and knowledge transfer applications and deliver recently awarded contracts.
- Achieving a consistent annual surplus of 3% of turnover before restructuring costs to invest strategically:
 - growing new income streams and reducing costs.
- Reconfiguring our existing accommodation and facilities to provide accommodation to meet the requirements of our 2015 vision:
 - delivering the estates enhancements to teaching facilities now underway;
 - and launching the Estates masterplan for the future shape of the campus.

- Continuing to invest in and develop our information services:
 - delivering the IT network and audio visual projects now underway;
 - embedding the virtual teaching environment;
 - and completing the installation of student record and procurement systems.

- Deepening our relationships with other relevant public and private sector organisations to seek out symbiotic opportunities for growth and investment:
 - completing the applied knowledge exchange projects underway to develop and build on relationships with SMEs and corporate Scotland.

- Developing and fostering international partnerships and alliances:
 - delivering new collaborative programmes with University of Jinan;
 - continuing to expand our collaboration with partners and potential partners in Middle East, India and China;
 - developing collaborative arrangements with universities in Boston and Chicago;
 - and developing our presence in the Banco Santander University network.

- Increasing the number of international students:
 - working with expanded networks of agents and overseas institutions;
 - and expanding the students successfully completing pathway programmes at INTO Scotland.

- Progressing the development of an Eco campus:
 - developing a carbon management plan by June 2010;
 - and investigating the retrofit of novel reduced carbon technology.

Responsibilities of the University Court

In accordance with the Glasgow Caledonian University (Scotland) Order of Council 1993, the Court of Glasgow Caledonian University is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Court is responsible for ensuring that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the Glasgow Caledonian University (Scotland) Order of Council 1993, the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the Scottish Funding Council and the Court of Glasgow Caledonian University, the University Court, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Court has to ensure that:

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

The Court has a responsibility to:

- ensure that funds from the Scottish Funding Council are used only for the purposes for which they have been given and in accordance with the Further and Higher Education (Scotland) Act 1992, the University's Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- ensure reasonable steps have been taken to secure the economical, efficient and effective management of the University's resources and expenditure; and
- ensure sound corporate governance and the proper conduct of the University's operations.

University Court Members

Mr Martin Cheyne
Chairman
Professor Pamela Gillies
Principal and Vice-Chancellor
Mr Antony Brian
Mrs Hazel Brooke (from 17.09.08)
Dr Dorothy Ferguson (to 31.07.09)
Mr Pdraig Hastie (to 31.07.09)
President of the Students' Association
Professor Elaine McFarland (from 01.08.09)
Mr John N Maclean
Vice-Chairman
Mr John McNaught (from 01.08.09)
Dr Rajan Madhok
Mr Stephen McCafferty
Mr Malcolm McCaig (from 01.08.08)
Dr James A Miller
Mr Hugh O'Neill
Mr Henry Perfect
Ms Stephanie Pitticas (from 01.08.09)
President of the Students' Association
Mr Alexander O Pratt (to 31.07.09)
Ms Davena Rankin
Mr Graham Scott
Ms Catherine Truel (from 01.08.09)
Dr David Wallace
Mr Ken Zaremski (to 31.07.09)

The total average attendance, excluding long term sickness, by Court members in 2008/2009 was 78%.

Members of Finance and General Purposes Committee

Mr Ken Zaremski (to 31.07.09)
Chairman
Professor Pamela Gillies
Principal and Vice-Chancellor
Mr David Beeby
Executive Director of Finance
Mr Pdraig Hastie (to 31.07.09)
President of the Students' Association
Mr John McNaught (from 01.08.09)
Mr Hugh O'Neill
Mr Henry Perfect
Chairman (from 01.08.09)
Ms Stephanie Pitticas (from 01.08.09)
President of the Students' Association
Mr Alexander O Pratt (to 31.07.09)
Ms Catherine Truel (from 01.08.09)
Mr David Wallace

The total average attendance by Committee members in 2008/2009 was 82%.

Members of Audit Committee

Mr Antony Brian
Chairman
Dr Dorothy Ferguson (to 31.07.09)
Mr Malcolm McCaig (from 01.08.08)
Professor Elaine McFarland (from 01.08.09)
Mr John N Maclean
Dr James A Miller

The total average attendance, excluding long term sickness, by Committee members in 2008/2009 was 79%

Members of Remuneration Committee

Mrs Hazel Brooke (from 17.09.08)

Professor Pamela Gillies

Mr John N Maclean

Dr Rajan Madhok (from 01.08.08)

Chairman

Mr Henry Perfect

The total average attendance by Committee members in 2008/2009 was 93%.

Members of Court Membership Committee

Mr Martin Cheyne

Chairman

Dr Dorothy Ferguson (to 31.07.09)

Professor Pamela Gillies

Professor Elaine McFarland (from 01.08.09)

Mr John Maclean

Dr Rajan Madhok

Dr James A Miller

The total average attendance, excluding long term sickness, by Committee members in 2008/2009 was 83%.

Members of Health and Safety Committee

Mr Mike Ellis

Mr Pdraig Hastie (to 31.07.09)

Mr Stephen McCafferty (from 1.08.09)

Mr Hugh O'Neill

Chairman

Ms Stephanie Pitticas (from 01.08.09)

Mr Alexander O Pratt (to 31.07.09)

Ms Davena Rankin

Mr David Wallace

The total average attendance by Committee members in 2008/2009 was 84%.

Members of Staff Policy Committee

Mrs Hazel Brooke (from 17.09.08)

Mr Mike Ellis

Professor Pamela Gillies

Mr Stephen McCafferty

Dr Rajan Madhok

Dr James A Miller

Chairman

Ms Davena Rankin

Mr Graham Scott

The total average attendance by Committee members in 2008/2009 was 68%.

Corporate Governance Statement

Introduction

The University is committed to exhibiting best practice in all aspects of corporate governance. The summary describes the manner in which the University has applied the principles set out in Section 1 of the Combined Code of Corporate Governance issued by the Financial Reporting Council in June 2008 and has taken due regard to the Scottish Funding Council Accounts Direction requirements and to the Turnbull Committee Guidance on Internal Control. Its purpose is to help the reader of the financial statements understand how these principles have been applied.

Statement of full combined compliance

In the opinion of the Court, the University complies with the provisions of the Combined Code in so far as they apply to the higher education sector, and it has complied throughout the year ended 31 July 2009, with a partial exception in line with current practice within the Higher Education sector regarding the new requirement to provide individual attendance figures.

The composition of Court and Committees is set out on page 16 and 17, Responsibilities of the University Court, and an average attendance rate for the year for each has been included.

University Court

In 2008/09 the University Court met five times and has six standing committees through which it conducts its business. Each committee has formally constituted terms of reference. These committees are an Audit Committee, a Finance & General Purposes Committee, a Court Membership Committee, a Staff Policy Committee, a Remuneration Committee and a Health and Safety Committee. In addition, the Court had an Away Day to consider the operating environment and future strategic direction. The Court initiated a routine review of its own effectiveness in the course of the financial year, and it undertakes an annual review of the effectiveness of each of its committees and their success in meeting objectives which are set annually.

The Finance and General Purposes Committee met five times and among other things, 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 final approval by Court.

The Court Membership Committee's terms of reference require it to keep Court's membership under review and to meet only when it is necessary to consider nominations for vacancies in the Court membership. The Committee met once during 2008/09 and also communicated by correspondence. The University has a responsibility to ensure that appropriate training is given to Court members as required.

The Remuneration Committee met three times and determines the remuneration of members of the Executive, including the Principal. Information on the remuneration of senior post holders for the year ended 31 July 2009 is set out in note 6 to the financial statements.

The Health and Safety Committee comprises six members and it met twice in 2008/2009. The terms of reference of the Health and Safety Committee are to formulate safety and environmental policies in order to ensure that the University meets all legislative requirements and best practice standards, and promote and monitor effective implementation of those policies.

The Staff Policy Committee comprises eight members and it met four times in 2008/2009. The main purpose of the Staff Policy Committee is to oversee the development of a People Strategy to support the University's strategic plan, to recommend the strategy to Court and to report to Court on progress in implementing the strategy and to ensure that policies, procedures and practices relating to staffing matters comply with all relevant employment legislation.

In 2008/09 the Audit Committee met four times with the University's external and internal auditors in attendance. 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 internal auditors. The Committee may meet privately with both the internal and external auditors if it wishes.

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 input, and report their findings to management and the Audit Committee. Management is responsible for the implementation of agreed audit recommendations and internal auditors undertake periodic follow-up reviews to ensure that such 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 also receives and considers reports from the Scottish Funding Council as they affect the University's business and monitors adherence to the regulatory requirements.

Senior executives, including the Principal, the Executive Director of Finance and the University Secretary, attend meetings of the Audit Committee as necessary but they are not members of the committee.

The University tendered both its external and internal audit services for the period after 31 July 2009, and KPMG LLP and PriceWaterhouse Coopers LLP have been appointed respectively.

Corporate Strategy

The University has a comprehensive strategic planning process in place which delivers 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 the Court, as a whole, receives the final Strategic Plan, including the financial estimates from the University Executive Board, for approval. Court agreed the University's 2015 Strategic Mission and Objectives in 2007 and carries out periodic reviews. The University also has a comprehensive estates strategy which is currently being updated for review by the University Executive Board and Court.

University Court statement on internal control

The University's Court is ultimately responsible for the University's system of internal control and, as the chief executive officer; the Principal is responsible for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material mis-statement or loss.

There is a robust Court committee and Executive group structure which operates effectively via remits, standing orders, reserved powers, minutes and action plans. The main Executive Board receives monthly comprehensive reports on budgetary matters with outturns monitored against targets. In addition, quarterly financial reports are presented to the Finance and General Purposes Committee and to Court.

There is a full scheme of delegated authority covering all university staff plus comprehensive financial procedures and an expenses manual. The University Executive Board and the relevant Court sub-committees receive reports on health and safety and staff-related issues plus any major strategic developments.

The Court reviewed the effectiveness of its governance framework utilising the Committee of University Chairman Guidelines and relevant parts of the report on accountability and governance published by the Scottish Government.

All major projects require to be set up and run under formal project management arrangements. The University runs all major IT projects under PRINCE2 methodology, has a dedicated Executive member to lead each project and employs an overall programme manager covering all IT projects. The University has an established approach to the identification and management of risk. There is a strategic risk register which is reviewed annually by Court, Audit Committee and the University Executive Board and includes impact analysis and mitigating actions. In addition, there is a Business Continuity Plan which continues to be developed. As new legislation arrives, actions are taken by internal committees to ensure compliance, and committee papers prepared must indicate how the actions proposed address compliance with legislation. All Schools and Departments have operating plans which identify risk and weakness. The process of further embedding formal risk management at School and Departmental level has commenced with the preparation and evaluation of their own risk registers.

The Court is of a view that there is an ongoing process for identifying, evaluating and managing the University's significant risks that has been in place throughout the year ended 31 July 2009 and up to the date of approval of the annual report and accounts. This process is reviewed by the Court and accords with the Turnbull guidance, as applicable to the higher education sector.

Conclusion

The University is compliant with the Combined Code on Corporate Governance, with one partial exception regarding the reporting of individual attendance at meetings as stated above. The University takes risk management very seriously and continues to improve the system of risk management. It has risk registers in place at institutional level and in all Schools. A process of regular risk review is also now in place to further embed good management practice throughout the University.

Finally, I would like to thank all members of the University staff and Court for their continued support and hard work during the year.

MR MARTIN CHEYNE

Report of the Independent Auditors to the University Court of Glasgow Caledonian University

We have audited the financial statements of Glasgow Caledonian University for the year ended 31 July 2009 which comprise the income and expenditure account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses, the statement of principal accounting policies and the related notes. These financial statements have been prepared under the accounting policies as set out therein.

This report is made solely to the University Court, in accordance with the charter and statutes of the University. Our audit work has been undertaken so that we might state to the University Court those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University Court as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the members of the University Court and auditors

The University Court's responsibilities for preparing the Report by Governors and the financial statements in accordance with the 2007 Statement of Recommended Practice: Accounting for Further and Higher Education, applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and the International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice and 2007 Statement of Recommended Practice: Accounting for Further and Higher Education.

We also report to you whether income from the Scottish Funding Council, other grants and income for specific purposes and from other restricted funds administered by the University have been properly applied only for the purposes for which they were received. In addition, we report to you whether, in all material respects, income has been applied in accordance with the statutes and, where appropriate, the financial memorandum with the Scottish Funding Council

We also report to you whether the information in the Operating and Financial Report is consistent with the financial statements.

In addition we report to you if in our opinion the University has not kept adequate accounting records, if the University's financial statements are not in agreement with the accounting records and returns, or if we have not received all the information and explanations we require for our audit. We read other information contained in the financial statements and consider whether it is consistent with the audited financial statements. This information comprises only the Operating and Financial Review and the Corporate Governance Statement.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. We are not required to consider whether the statement of internal control (included as part of the Corporate Governance Statement) covers all risks and controls, or to form an opinion on the effectiveness of the University's corporate governance procedures or its risk and control procedures. Our responsibilities do not extend to other information.

Basis of Opinion

We conducted our audit in accordance with the International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the University Court in the preparation of the financial statements and of whether the accounting policies are appropriate to the University's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the University's affairs as at 31 July 2009 and of the University's surplus of income over expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the 2007 Statement of Recommended Practice: Accounting for Further and Higher Education;
- the information given in the Operating and Financial Report is consistent with the financial statements for the year ended 31 July 2009;
- in all material respects, income from the Scottish Funding Council, grants and income for specific purposes and from other restricted funds administered by the University during the year ended 31 July 2009 have been applied for the purposes for which they were received;
- in all material respects, income received during the year ended 31 July 2009 has been applied in accordance with the University's statutes and, where appropriate, with the financial memorandum with the Scottish Funding Council.

Grant Thornton UK LLP

Registered Auditor, Chartered Accountants, 95 Bothwell Street, Glasgow, 3 December 2009

Statement of Principal Accounting Policies

Basis of accounting

The accounts have been prepared under the historical cost convention, modified to include land and buildings and investments at valuation, and in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education Institutions and in accordance with applicable accounting standards. They conform to guidance published by the Scottish Funding Council.

Basis of consolidation

The consolidated accounts include the accounts of the University and subsidiary undertakings in accordance with the provisions of FRS 2 Accounting for Subsidiary Undertakings. The University's share of the results in its joint venture has been consolidated in the financial statements using the gross equity method.

The consolidated accounts do not include the accounts of Glasgow Caledonian University Students' Association as it is a separately constituted organisation in which the University has no financial interest, control or significant influence over policy decisions.

Recognition of income

Income from the Scottish Funding Council in the form of recurrent grants are accounted for in the period to which they relate and credited direct to the income and expenditure account.

Tuition fees are credited to the income and expenditure account over the period to which they relate and are stated net of discounts. Any fees waived by the University are included as expenditure and not deducted from income.

Income from grants, contracts and other services is accounted for on an accruals basis and included to the extent the expenditure is incurred on each project during the year. Any payments received in advance of such performance are recognised on the balance sheet as liabilities.

Grants received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants. Such grants are credited to deferred capital grants and an annual transfer made to the income and expenditure account over the useful economic life of the asset, at the same rate as the depreciation charge on the asset for which the grant was awarded.

All income from short term deposits is credited to the income and expenditure account on accruals basis.

Endowment and investment income is credited to the income and expenditure account on a receivable basis. Income from endowments not expended in accordance with the restrictions of the endowment, is transferred from the income and expenditure account to endowments. Any realised gains or losses from dealing with endowment asset investments are retained within endowments in the balance sheet.

Agency arrangements

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

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at the balance sheet date. The resulting exchange differences are taken to the income and expenditure account in the year.

Land and buildings

Freehold land and buildings are stated at valuation, less a provision for depreciation. The basis of valuation is depreciated replacement cost. The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Land and buildings considered surplus to requirements are shown at the lower of book value and market value.

Land is held freehold and is not depreciated as it is considered to have an indefinite useful life. Buildings are depreciated over their expected remaining useful lives of 40 to 50 years, and in the case of new buildings a useful life of 50 years has been adopted.

Where buildings are acquired with the aid of specific grants they are capitalised and depreciated. The related grants are treated as deferred capital grants and released to the income and expenditure account over the expected useful life of the asset concerned.

Equipment and furniture

Equipment and furniture including IT hardware and software, costing less than £20,000 per individual item or group of related items, are charged to the income and expenditure account in the year of acquisition. All other equipment and furniture are capitalised.

Capitalised equipment and furniture are stated at cost.

Depreciation is provided over the following periods:

Computer equipment	3 years
General equipment	5 – 8 years
Furniture	5 - 10 years
Fixture & Fittings	5 – 10 years

Where equipment and furniture are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are treated as deferred capital grants and released to the income and expenditure account over the expected useful life of the assets concerned.

Maintenance of premises

The cost of routine corrective maintenance is charged to the income and expenditure account as incurred.

Investments

Listed investments are stated in the balance sheet at market value. Unlisted investments are stated at cost less any provision for impairment of their value.

Any increase in value arising on the revaluation of fixed asset investments is carried as a credit to the revaluation reserve, via the statement of total recognised gains and losses. A diminution in value is charged to the income and expenditure account to the extent that it is not covered by a previous revaluation surplus.

Endowments and Donations Unrestricted donations

Charitable donations are recognised in the accounts when the charitable donation has been received or if before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability.

Endowment funds

Where charitable donations are to be retained for the benefit of the institution as specified by the donors, these are accounted for as endowments. There are three main types:

- Restricted permanent endowment – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.
- Unrestricted permanent endowment – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
- Restricted expendable endowment – the donor has specified a particular objective and the University can convert the endowed capital into income.

Stocks

Stocks are stated at the lower of cost and net realisable value and exclude books and consumables in academic departments and laboratories.

Cash flows and liquid resources

Cash flows comprise increases or decreases in cash. 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. No investments, however liquid, are included as cash. Liquid resources comprise assets held as a readily disposable store of value. They include term deposits, government securities and loan stock held as part of the University's treasury management activities. They exclude any such assets held as endowment asset investments.

Taxation status

The University has been recognised as a charity by HMRC for the purposes of Section 505 Income and Corporation Taxes Act 1988 and is recorded on the index of charities maintained by the Office of the Scottish Charity Regulator under the provisions of the Charities and Trustees Investment (Scotland) Act 2005 (Charity Number SCO21474). The University receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT is charged to the income and expenditure account as it is incurred and any irrecoverable VAT allocated to tangible fixed assets is included in their cost.

The University's subsidiary companies, where appropriate, are subject to Corporation Tax and VAT in the same way as any commercial organisation.

Pension schemes

The University participates in a number of defined benefit schemes. All schemes are available to staff of more than one employer and it is not possible to identify each participating institution's share of the underlying assets and liabilities on a consistent and reasonable basis. Accordingly, the University has utilised the provisions of FRS 17 Retirement Benefits whereby the contributions are recognised as if it were a defined contribution scheme. The cost recognised within the University's income and expenditure account will be equal to the contribution payable to the schemes for the year.

The schemes are defined benefit schemes which are externally funded and contracted out of the State Earnings-Related Pension Scheme. The Funds are valued by Actuaries, the rates of contribution payable being determined by the trustees on the advice of the Actuaries. Pension costs are assessed on the latest actuarial valuations of the Schemes and are accounted for on the basis of charging the cost of providing pensions over the period during which the Institution benefits from the employee's services. Variations from regular cost are spread over the expected average remaining working lifetime of members of the schemes after making allowances for future withdrawals.

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.

Provisions

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

Leases

Assets obtained under finance leases are capitalised in the balance sheet and are depreciated over the shorter of the estimated useful life of the asset or the term of the lease. The interest element of the rental obligations is charged to the income and expenditure account evenly over the period of the lease.

Rental costs payable under operating leases are charged as expenditure in equal annual amounts over the period of the leases.

Consolidated Income and Expenditure Account

For the Year ended 31 July 2009

	Note	2009 £000	2008 £000
Income			
Funding council grants	1	69,770	64,737
Academic fees and education contracts	2	26,942	23,214
Research grants and contracts	3	4,350	4,130
Other operating income	4a	9,778	10,939
Endowments and investment income	5	541	536
Total income		111,381	103,556
Less Share of income from joint venture		(449)	(5)
Net income		110,932	103,551
Expenditure			
Staff costs	6	71,836	67,034
Restructuring costs	6	1,334	1,051
Depreciation	9	4,632	4,847
Other operating expenses	8	29,864	27,502
Interest payable	7	-	88
Total expenditure	8	107,666	100,522
Surplus after depreciation of tangible assets at valuation and before tax		3,266	3,029
Share of operating loss in joint venture	10	(335)	(106)
Surplus after depreciation of tangible assets at valuation and tax		2,931	2,923
Sale of fixed assets	4b	-	25
Surplus on continuing operations after depreciation of assets at valuation and disposal of assets and tax		2,931	2,948
Surplus for the year transferred to accumulated income in endowment funds	11	(88)	(48)
Surplus for the year retained within general reserves		2,843	2,900

The income and expenditure account is in respect of continuing activities

Statement of Historical Cost Surpluses

For the Year ended 31 July 2009

	Note	2009 £000	2008 £000
Surplus for the year retained within general reserves		2,843	2,900
Historical cost depreciation difference on buildings	16	985	985
Historical cost surplus for the year		<u>3,828</u>	<u>3,885</u>

Statement of Consolidated Total Recognised Gains and Losses

For the Year ended 31 July 2009

	Note	2009 £000	2008 £000
Surplus on continuing operations after depreciation of assets at valuation and disposal of assets and tax		2,931	2,948
Depreciation of endowment asset investments	11	(5)	(12)
Revaluation of fixed asset buildings		-	31,475
Revaluation of fixed asset investments		(37)	137
Total recognised gains relating to the year		<u>2,889</u>	<u>34,548</u>
Reconciliation			
Opening reserves and endowments		125,352	90,804
Total recognised gains relating to the year		<u>2,889</u>	<u>34,548</u>
Closing reserves and endowments		<u>128,241</u>	<u>125,352</u>

Balance Sheets

As at 31 July 2009

	Note	Consolidated		University	
		2009 £000	2008 £000	2009 £000	2008 £000
Fixed assets					
Tangible assets	9	137,125	139,615	137,125	139,615
Investments	10	2,293	2,329	2,703	2,439
Investment in joint venture	10	-	44	-	-
		<u>139,418</u>	<u>141,988</u>	<u>139,828</u>	<u>142,054</u>
Endowment assets	11	<u>236</u>	<u>153</u>	<u>236</u>	<u>153</u>
Current assets					
Stocks		331	252	331	252
Debtors	12	9,633	9,235	9,597	9,682
Short term investments		12,900	3,000	12,900	3,000
Cash at bank and in hand		5,565	4,095	4,791	3,460
		<u>28,429</u>	<u>16,582</u>	<u>27,619</u>	<u>16,394</u>
Creditors: amounts falling due within one year	13	<u>(18,069)</u>	<u>(14,457)</u>	<u>(17,519)</u>	<u>(14,229)</u>
Net current assets		<u>10,360</u>	<u>2,125</u>	<u>10,100</u>	<u>2,165</u>
Total assets less current liabilities		<u>150,014</u>	<u>144,266</u>	<u>150,164</u>	<u>144,372</u>
Less: Provision for liabilities	14	<u>(7,494)</u>	<u>(6,870)</u>	<u>(7,203)</u>	<u>(6,870)</u>
Net assets including pension asset/liability		<u>142,520</u>	<u>137,396</u>	<u>142,961</u>	<u>137,502</u>
Deferred capital grants	15	<u>14,279</u>	<u>12,044</u>	<u>14,279</u>	<u>12,044</u>
Endowment funds					
Expendable	11	188	106	188	106
Permanent	11	48	47	48	47
		<u>236</u>	<u>153</u>	<u>236</u>	<u>153</u>
Reserves					
Revaluation reserve	16	53,935	55,106	53,935	55,106
Income and expenditure account	16	74,070	70,093	74,511	70,199
		<u>128,005</u>	<u>125,199</u>	<u>128,446</u>	<u>125,305</u>
Total funds		<u>142,520</u>	<u>137,396</u>	<u>142,961</u>	<u>137,502</u>

The accounts on pages 21 to 40 were approved by the University Court on 3 December 2009 and signed on its behalf by:

Mr Martin Cheyne
Chairman of University Court

Professor Pamela Gillies
Principal and Vice-Chancellor

Mr David Beeby
Executive Director of Finance

Consolidated Cash Flow Statement

For the Year ended 31 July 2009

	Note	2009 £000	2008 £000
Net cash inflow from operating activities	20	9,983	4,350
Returns on investments and servicing of finance	21	554	404
Capital expenditure and financial investment	22	975	2,978
Management of liquid resources		(9,900)	(3,000)
Financing	23	-	(5,200)
Increase/ (decrease) in cash in the year		1,612	(468)

Reconciliation of Net Cash Flow to Movement in Net Funds

For the Year ended 31 July 2009

	Note	2009 £000	2008 £000
Increase/ (decrease) in cash in the year		1,612	(468)
Increase in short term deposits		9,900	3,000
Decrease in debt		-	5,200
Movement in net funds in the year		11,512	7,732
Net funds at 1 August		7,189	(543)
Net funds at 31 July	24	18,701	7,189

		2009 £000	2008 £000
1	Funding council grants		
	SFC recurrent grant	57,445	56,340
	Specific grants:		
	Research	3,914	3,280
	Other	2,295	2,056
	Funding for increased Scottish Teachers Superannuation Scheme contributions	322	639
	Science Research Investment Fund	-	210
	Capital Investment Fund	4,980	1,464
	Deferred capital grants released:		
	Buildings and minor works (note 15)	110	121
	Equipment (note 15)	704	627
		<u>69,770</u>	<u>64,737</u>
		<u><u>69,770</u></u>	<u><u>64,737</u></u>
		2009 £000	2008 £000
2	Academic fees and education contracts		
	UK and EU student fees	15,279	13,803
	Overseas students (Non-EU)	6,556	5,515
	Part time students	5,107	3,896
		<u>26,942</u>	<u>23,214</u>
		<u><u>26,942</u></u>	<u><u>23,214</u></u>
		2009 £000	2008 £000
3	Research grants and contracts		
	Grants and contracts	4,350	4,130
		<u>4,350</u>	<u>4,130</u>
		<u><u>4,350</u></u>	<u><u>4,130</u></u>
	This sum includes Industrial and Government-funded Research Grants and contracts. It excludes SFC funding for research shown in note 1.		
		2009 £000	2008 £000
4a	Other operating income		
	Residences, catering and conferences	2,757	2,680
	Other university services	2,970	3,944
	Other income	1,785	2,209
	Subsidiary undertaking	1,817	2,101
	INTO Scotland LLP	449	5
		<u>9,778</u>	<u>10,939</u>
		<u><u>9,778</u></u>	<u><u>10,939</u></u>

Notes to the Accounts (Continued)

For the Year ended 31 July 2009

	2009 £000	2008 £000
4b Profit on sale of fixed assets		
Net gain on land lease of Dobbies Loan	-	25
	<u> </u>	<u> </u>
	2009 £000	2008 £000
5 Endowment and investment income		
Income from expendable endowments	106	71
Income from permanent endowments	3	4
Other interest receivable	432	461
	<u> </u>	<u> </u>
	<u>541</u>	<u>536</u>
	2009 £000	2008 £000
6 Staff costs		
Wages and salaries	59,869	56,046
Social security costs	4,736	4,427
Other pension costs	7,231	6,561
	<u> </u>	<u> </u>
	<u>71,836</u>	<u>67,034</u>
	2009 £000	2008 £000
Analysed as:		
Academic	46,510	43,552
Administrative	19,822	18,360
Technical	2,626	2,528
Others	2,878	2,594
	<u> </u>	<u> </u>
	<u>71,836</u>	<u>67,034</u>
Principal		
Emoluments, including non-superannuable elements, of the Principal and Vice-Chancellor	181	188
Benefits in kind	1	1
Employers' pension contributions	25	23
	<u> </u>	<u> </u>
	2009 Number	2008 Number
Average staff numbers by major category		
Academic	782	799
Administrative	551	556
Technical	69	77
Others	118	114
	<u> </u>	<u> </u>
	<u>1,520</u>	<u>1,546</u>

	2009	2008
	£000	£000
6 Staff costs (cont.)		
Remuneration of other higher paid staff including non-superannuable elements, but excluding employers' pensions contributions		
£70,000 - £79,999	17	16
£80,000 - £89,999	7	6
£90,000 - £99,999	4	2
£100,000 - £109,999	1	1
£110,000 - £119,999	-	-
£120,000-£129,999	2	1
£130,000-£139,999	-	1
£140,000-£149,999	-	-
£150,000-£159,999	-	-
£160,000-£169,999	-	1
£170,000-£179,999	1	-
	2009	2008
	£000	£000
Aggregate compensation for loss of office paid to former senior post holders/higher paid employees		
Compensation paid to former post holders	-	106
	<u> </u>	<u> </u>
Restructuring costs		
During the year the University operated a Voluntary Early Release Scheme open to all staff. The breakdown of that scheme is as follows:		
	2009	2008
	£000	£000
Academic	822	452
Administrative	415	598
Technical	52	101
Others	1	18
Associated costs (non payroll)	44	(118)
	<u> </u>	<u> </u>
	1,334	1,051
	<u> </u>	<u> </u>
	2009	2008
	£000	£000
7 Interest and other finance costs		
Loans not wholly repayable within five years	-	88
	<u> </u>	<u> </u>

8 Analysis of expenditure by activity

	Staff costs £000	Exceptional operating costs £000	Other operating expenses £000	Depreciation £000	2009 Total £000	2008 Total £000
Academic departments	42,714	-	4,551	486	47,751	45,049
Academic services	7,288	-	6,217	737	14,242	11,856
Research grants & contracts	2,987	-	1,772	-	4,759	4,413
Residences, catering & conferences	751	-	525	-	1,276	1,311
Premises	32	-	6,454	3,193	9,679	8,862
Administration	11,474	-	4,787	212	16,473	15,234
Other expenses	5,708	1,334	5,034	4	12,080	12,254
Subsidiary undertakings	882	-	524	-	1,406	1,543
Total per I & E Account	<u>71,836</u>	<u>1,334</u>	<u>29,864</u>	<u>4,632</u>	<u>107,666</u>	<u>100,522</u>

Other operating expenses include the following fees (including VAT) in respect of services provided for:

	2009 £000	2008 £000
Auditor's remuneration		
External auditors remuneration in respect of audit services	69	39
External auditors remuneration in respect of non-audit services	-	25
Internal auditors remuneration in respect of audit services	115	93
Internal auditors remuneration in respect of non-audit services	<u>73</u>	<u>-</u>
	2009 £000	2008 £000
Other operating expenses include:		
Hire of plant and machinery – operating leases	235	189
Hire of other assets – operating leases	<u>948</u>	<u>945</u>

9 Tangible assets
Consolidated & University

At 31 July 2008 the University instructed Ryden LLP, Chartered Surveyors, to carry out a valuation of the University's buildings using the depreciated replacement cost method. The valuation concluded that there would be an increase in value. At 31 July 2009, in accordance with FRS 11 'Impairment of Fixed Assets and Goodwill' and in light of changes in UK economic conditions the carrying values of the buildings have been compared to their recoverable amounts, represented by their value in use to the University. Based on indicators available and given the specialised nature, use and size of the buildings the University is satisfied that there has not been a significant fall in value that would result in an impairment loss.

	Freehold land & buildings £000	Assets held for disposal £000	Assets under construction £000	Fixtures & fittings £000	Equipment & furniture £000	Total £000
Valuation/Cost						
At 1 August 2008	135,587	189	204	1,472	12,161	149,613
Additions	1,711	-	130	-	301	2,142
Disposals	-	(189)	-	-	(105)	(294)
Transfers	-	-	(308)	-	308	-
As at 31 July 2009	137,298	-	26	1,472	12,665	151,461
Depreciation						
At 1 August 2008	(16)	(189)	-	(619)	(9,174)	(9,998)
Charge for year	(2,707)	-	-	(237)	(1,688)	(4,632)
Disposals	-	189	-	-	105	294
As at 31 July 2009	(2,723)	-	-	(856)	(10,757)	(14,336)
NBV						
At 1 August 2009	<u>134,575</u>	<u>-</u>	<u>26</u>	<u>616</u>	<u>1,908</u>	<u>137,125</u>
At 1 August 2008	<u>135,571</u>	<u>-</u>	<u>204</u>	<u>853</u>	<u>2,987</u>	<u>139,615</u>

Buildings with a net book value of £39m 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.

	Consolidated		University	
	2009 £000	2008 £000	2009 £000	2008 £000
10 Investments				
Treasury Index Linked stocks	2,210	2,246	2,210	2,246
Subsidiary undertakings at cost	-	-	410	110
Other investments	83	83	83	83
	<u>2,293</u>	<u>2,329</u>	<u>2,703</u>	<u>2,439</u>

The Treasury Index Linked stocks are 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 £1,436m.

10 Investments (cont.)

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 above investment in this subsidiary undertaking represents 110,000 £1 ordinary shares in Glasgow Caledonian University Company Limited. During the year to 31 July 2009 GCUC Ltd paid £427,000 Gift Aid to the University (2008 £582,000).

The University owns 100% of GCU INTO Limited (formerly GCU Newco Limited) established to operate the joint venture arrangements, detailed below. This investment represents £100 of issued ordinary shares and £299,900 of issued preference shares.

The "Other investments" at 31 July 2009 represents an investment in Bioptra Limited. Formed in 2002 as a spinout company of the University it provides *in vitro* pharmacology services and instruments.

Joint Venture

On 28 May 2008 the University entered into a Limited Liability Partnership Agreement with INTO University Partnerships Limited. In anticipation of this the University established a new wholly owned subsidiary, GCU Newco Limited, on 21 April 2008. The company changed its name to GCU INTO Limited on 29 July 2009. At 31 July 2008 GCU INTO Limited had an issued share capital of 1 ordinary £1 share. Subsequent to that date, the University subscribed for 299,900 redeemable £1 preference shares and 99 £1 ordinary shares at par in GCU INTO Limited. GCU INTO Limited holds a 50% share of INTO Scotland LLP, a limited liability partnership. INTO Scotland LLP is a joint venture partnership with INTO University Partnerships Limited and the remaining 50% share is 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 £350,000 to INTO Scotland LLP, at an interest rate of 2% above the base lending rate of Royal Bank of Scotland plc. At 31 July 2009 £150,000 of the loan had been drawn down (2008 £Nil). HMRC have confirmed that the investment of £500,000 is a qualifying investment for tax purposes, as the £500,000 is always to be used to advance Education.

INTO Scotland LLP was incorporated on 17 April 2008 and operates from the Glasgow Caledonian University's campus. Its principal activity is the provision of English language and pre university foundation, diploma and pre masters' courses. The arrangement is treated as a joint venture and is accounted for using the gross equity method, such that 50% of the company's gross assets and liabilities are incorporated into the consolidated balance sheet of the University and 50% of its net income is reported in the University's consolidated income and expenditure account.

GCU, GCU INTO Limited and INTO Scotland LLP have financial years that end on 31 July.

In line with planned projections of INTO Scotland LLP, the University's share in its joint venture is as follows:

	2009 £000	2008 £000
Income and Expenditure Account		
Income	449	5
Share of start up costs	(335)	(106)
Balance Sheet		
Fixed assets	55	40
Current assets	338	195
	<u>393</u>	<u>235</u>
Liabilities: due within one year	(533)	(191)
Liabilities: due after more than one year	(151)	-
	<u>(684)</u>	<u>(191)</u>
Share of net (liabilities)/ assets	<u>(291)</u>	<u>44</u>

11 Endowments

	Unrestricted Permanent £000	Restricted Permanent £000	Total Permanent £000	Restricted Expendable £000	2009 Total £000	2008 Total £000
At 1 August						
Capital	13	28	41	87	128	97
Accumulated Income	-	6	6	19	25	19
	<u>13</u>	<u>34</u>	<u>47</u>	<u>106</u>	<u>153</u>	<u>116</u>
New Endowments	-	-	-	-	-	11
Income	1	2	3	106	109	63
Expenditure	-	-	-	(21)	(21)	(27)
	<u>1</u>	<u>2</u>	<u>3</u>	<u>85</u>	<u>88</u>	<u>36</u>
Loss on investments	-	(2)	(2)	(3)	(5)	(10)
At 31 July	<u><u>14</u></u>	<u><u>34</u></u>	<u><u>48</u></u>	<u><u>188</u></u>	<u><u>236</u></u>	<u><u>153</u></u>
Represented by:						
Capital	14	25	39	167	206	128
Accumulated Income	-	9	9	21	30	25
	<u>14</u>	<u>34</u>	<u>48</u>	<u>188</u>	<u>236</u>	<u>153</u>
Represented by:						
Investments revalued					-	59
Funds within University Bank Account					236	94
					<u>236</u>	<u>153</u>

Investments represented UK listed equities and gilts and were sold in the year.

	Consolidated		University	
	2009 £000	2008 £000	2009 £000	2008 £000
12 Debtors				
Trade debtors	3,159	2,883	2,792	2,498
Other debtors	503	527	501	678
Subsidiary undertakings	-	-	625	1,068
Prepayments and accrued income	2,320	2,325	2,179	1,938
Debtors due after more than one year	3,651	3,500	3,500	3,500
	<u>9,633</u>	<u>9,235</u>	<u>9,597</u>	<u>9,682</u>

Notes to the Accounts (Continued)

For the Year ended 31 July 2009

	Consolidated		University	
	2009 £000	2008 £000	2009 £000	2008 £000
13 Creditors: amounts falling due within one year				
Trade creditors	2,655	757	2,655	725
Social security and other taxation payable	1,554	1,588	1,554	1,588
Subsidiary undertakings	-	-	38	82
Accruals and deferred income	13,860	12,112	13,272	11,834
	<u>18,069</u>	<u>14,457</u>	<u>17,519</u>	<u>14,229</u>

	Pensions £000
14 Provision for liabilities	
University	
At 1 August 2008	6,870
Utilised in year	(419)
Transfer from income & expenditure account	752
At 31 July 2009	<u>7,203</u>

	Other £000	Pensions £000	Total £000
Provision for liabilities			
Consolidated			
At 1 August 2008	-	6,870	6,870
Utilised in year	-	(419)	(419)
Transfer from income & expenditure account	-	752	752
Transfer from investments in joint venture	291	-	291
At 31 July 2009	<u>291</u>	<u>7,203</u>	<u>7,494</u>

The other provision represents the share of deficiency in net assets within a joint venture (see note 10).

The pension provision represents future pension liabilities in respect of former employees who retire under early retirement schemes. These include liabilities inherited from University pre-merger institutions (£2.5m) and SFC new blood schemes 1994/95 and 1995/96 (£1.6m).

The capital equivalent on future annual pension commitments has been based on actuarial valuation at 31 July 2009 by Hymans Robertson, Actuaries and Consultants.

14 Provision for liabilities (cont.)

The assumptions used for this calculation, under Financial Reporting Standard, 17, Retirement Benefits are as follows:

	31 July 2009	31 July 2008
Discount Rate	2.3%	2.8%
Inflation	3.7%	3.9%

	Buildings £000	Equipment £000	Total £000
15 Deferred capital grants University & Consolidated			
At 1 August 2008			
Funding Council	6,025	5,209	11,234
Other	-	810	810
	<u>6,025</u>	<u>6,019</u>	<u>12,044</u>
Receivable during the year			
Funding Council	2,150	843	2,993
Other	-	56	56
	<u>2,150</u>	<u>899</u>	<u>3,049</u>
Released to Income and Expenditure Account			
Funding Council	(110)	(295)	(405)
Other	-	(409)	(409)
	<u>(110)</u>	<u>(704)</u>	<u>(814)</u>
At 31 July 2009			
Funding Council	8,065	5,757	13,822
Other	-	457	457
	<u>8,065</u>	<u>6,214</u>	<u>14,279</u>

	Revaluation Reserve 2009 £000	Other Funds 2009 £000	Total 2009 £000
16 Reserves University			
Balance at 1 August	55,106	70,199	125,305
Surplus for year	-	3,178	3,178
Cumulative revaluation written back on fixed asset investment disposals	(149)	149	-
Revaluation of fixed asset investments	(37)	-	(37)
Transfer of amount equivalent to additional depreciation of fixed assets	(985)	985	-
	<u>53,935</u>	<u>74,511</u>	<u>128,446</u>

Notes to the Accounts (Continued)

For the Year ended 31 July 2009

	Revaluation Reserve 2009 £000	Other Funds 2009 £000	Total 2009 £000
16 Reserves (cont.) Consolidated			
Balance at 1 August	55,106	70,093	125,199
Surplus for the year	-	2,843	2,843
Cumulative revaluation written back on fixed asset investment disposals	(149)	149	-
Revaluation of fixed asset investments	(37)	-	(37)
Transfer of amount equivalent to additional depreciation of Fixed Assets	(985)	985	-
	<u>53,935</u>	<u>74,070</u>	<u>128,005</u>

17 Lease obligations

Annual rentals under operating leases are as follows:

	2009 £000	2008 £000
Land and buildings		
Expiring within one year	-	153
Expiring within two to five years	1,001	792
	<u>1,001</u>	<u>945</u>

	2009 £000	2008 £000
Other		
Expiring within one year	-	140
Expiring within two to five years	84	100
Expiring in over five years	43	-
	<u>127</u>	<u>240</u>

	2009 £000	2008 £000
18 Capital commitments		
Commitments contracted	5,553	1,929
Authorised but not contracted	6,709	2,603
	<u>12,262</u>	<u>4,532</u>

19 Contingent liabilities

Based on the facts known at this point in time there are no contingent or potential liabilities that would be considered material in overall financial terms.

	2009	2008
	£000	£000
20 Reconciliation of consolidated operating surplus to net cash inflow from operating activities		
Surplus after depreciation of assets, disposal of assets and taxation	2,931	2,948
Depreciation	4,632	4,847
Deferred capital grants released to income	(814)	(748)
Share of operating loss in joint venture	335	106
Interest payable	7	88
Endowment & interest received	(541)	(536)
Gain on disposal of fixed asset	-	(25)
Loss on sale of investments	15	-
Increase in stocks	(79)	(144)
(Increase)/decrease in debtors	(410)	260
Increase/(decrease) in creditors	3,574	(1,463)
Increase/(decrease) in provisions	333	(983)
Net cash inflow from operating activities	<u><u>9,983</u></u>	<u><u>4,350</u></u>
	2009	2008
	£000	£000
21 Returns on investments and servicing of finance		
Interest paid	-	(95)
Income from endowments	109	85
Other interest received	445	414
	<u>554</u>	<u>404</u>
	2009	2008
	£000	£000
22 Capital expenditure and financial investments		
Tangible assets acquired	(2,112)	(3,830)
Payments made to acquire fixed asset investments	(154)	-
Receipts from sale of investments	192	-
Deferred capital grants received	3,049	6,808
	<u>975</u>	<u>2,978</u>
	2009	2008
	£000	£000
23 Financing		
Repayments of amounts borrowed	-	(5,200)
Net outflow from financing	<u><u>-</u></u>	<u><u>(5,200)</u></u>

	At 1 August 2008 £000	Cash flows £000	At 31 July 2009 £000
24 Analysis of changes in net funds			
At bank and in hand	4,095	1,470	5,565
Endowment cash	94	142	236
	<u>4,189</u>	<u>1,612</u>	<u>5,801</u>
Short term investments	3,000	9,900	12,900
	<u>7,189</u>	<u>11,512</u>	<u>18,701</u>

25 Pension Schemes

The University participates in three separate defined benefit schemes to provide retirement benefits to employees based on final pensionable salary. Academic staff are members of the Scottish Teachers Superannuation Scheme (STSS) or the Universities Superannuation Scheme (USS); non academic staff are members of the Strathclyde Pension Fund (SPF). All schemes are subject to independent actuarial valuations.

The University contribution rates on eligible salary and wages costs are:

Academic staff STSS	14.9%
Academic staff USS	14.0%
Administrative and Manual Staff SPF	17.3%

	STSS 31 March 2005	SPF 31 March 2008	USS 31 March 2008
Date of last actuarial review/valuation:			
Rate of return on investments in excess of rate of increase in salaries	2%	1.5%	4.3%
Rate of return on investments in excess of rate of increase in pensions	3.5%	2.5%	3.3%
Market value of assets at date of last valuation	£13,030m	£9,479m	£28,843m
Proportion of members benefits covered by actuarial valuation	-	95%	71%

	2009 £000	2008 £000
The total pension costs for the year were:		
Normal contribution to:		
STSS	4,058	3,759
SPF	2,875	2,624
USS	316	211
	<u>7,249</u>	<u>6,594</u>
	£000	£000
Of which were outstanding contributions at the balance sheet date:		
STSS	535	468
SPF	354	316
USS	46	32
	<u>935</u>	<u>816</u>

25 Pension Schemes (cont.)

The University has utilised the provisions of FRS17 whereby the contributions to schemes be accounted for as if it were a defined contribution scheme. As such, the cost recognised within the University's income and expenditure account will be equal to the contribution payable to the schemes for the year.

The Strathclyde Pension Fund

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

The assets of the Fund are held in a separately administered fund and the latest actuarial valuation of the Fund was at 31 March 2008. The assumptions which have the most significant effect on the results of the valuation are those relating to the returns on investments, inflation, rates of mortality, early retirements, staff turnover, and the rates of increase in salaries and pensions. Key financial assumptions underpinning the valuation at 31 March 2008 were that the nominal rate of return on investments was 6.1% (real rate 2.5%), the nominal rate of pay increases was 5.1% (real rate 1.5%) and that the nominal price inflation and pension increases were 3.6% (real rate 0.0%).

At the date of the 2008 actuarial valuation the market value of the assets of the Fund was £9,479m and the actuarial value of assets was sufficient to cover 95% of the benefits which had accrued to members after allowing for expected future increases in earnings.

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 latest full actuarial valuation of the STSS received from the Scottish Public Pension Agency is as at 31 March 1996. However, an actuarial review as at 31 March 2005 was issued in June 2008 by the Government Actuary. This review shows assets of £13,030m and the review assumes that the investment rate of return would be 2% in real terms and that pensions would increase by 3.5% per annum in real terms.

Universities Superannuation Scheme

The Universities Superannuation Scheme provides benefits on final pensionable salary for staff within Higher Education. This is a defined benefit scheme which is externally funded and the assets of the scheme are held in a separate trustee administered fund.

The latest actuarial valuation of the Fund was at 31 March 2008. The funds are valued every three years by professionally qualified independent actuaries, the rates of contribution payable being determined by the trustees on the advice of the actuaries. The valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments, the rates of increase in salary and pensions and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. An "inflation risk premium" adjustment was also included by deducting 0.3% from the market-implied inflation on account of the historically high level of inflation implied by government bonds.

26 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 is 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 Court may have an interest are conducted at arm's length and in accordance with the University financial regulations and normal procurement procedures.

Any other transactions with related parties are already disclosed elsewhere in the accounts.

	Childcare Fund £000	Hardship Fund £000	Total £000
27 Childcare and Hardship Fund			
At 1 August 2008	22	63	85
Funds received in year	239	885	1,124
Expenditure	(97)	(1,097)	(1,194)
Virements	(134)	134	-
At 31 July 2009	30	(15)	15

Grants are available solely for students. The University acts only as a paying agent. In the University's view the regular repayments of these funds is a consequence of the restrictive conditions placed upon their distribution.

28 Post Balance Sheet Events

There were no Post Balance Sheet Events which would require disclosure within these accounts.

29 Subsidiary Undertakings

The subsidiary companies (all of which are registered in Scotland), are as follows:

Company

Glasgow Caledonian University Company Ltd
GCU Nominee Company
GCU INTO Ltd

Principal Activity

The provision of training, consultancy and research
Ownership of Heatherbank Museum assets
Holds University share of INTO Scotland LLP

