

Report and Financial Statements For the year ended 31 July 2011



UNIVERSITY OF THE WEST OF SCOTLAND
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011

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Financial Overview

The University of the West of Scotland had a busy and successful year in 2010/11 despite the challenging environment for higher education and significant pressures for the University.

The University's operating surplus for the year ended 31 July 2011 was £5.852m on total income of £95.743m. This is an increase on the £4.923m surplus delivered in the year to 31 July 2010.

The Balance Sheet remained strong and Net Assets grew to £97.992m at 31 July 2011.

As a result of major investment in Fixed Assets, cash balances reduced by £18.974m in the year to £13.625m at 31 July 2011.

Student Experience

Student Recruitment was buoyant in 2010/2011, applications increasing from 20,960 to 21,536 and with an increase in full-time student numbers from 9,742 to 11,187. The University maintains its commitment to part-time routes into learning and currently its part-time enrolments are about 40% of total student numbers. In 2010/11, that represented 6,039 part-time learners, 27% of whom were studying on part-time degree programmes.

UWS continues to provide significant learning opportunities for students from a wide range of experience and backgrounds. In 2010/11, the percentage of students entering the University from the 20% most deprived postcode areas was 26% against a Scottish sector average of 12%. Almost one third of learners in their first year of study at UWS came into the University from a college (1,760 students) and, of these, over 1,000 had accelerated entry into degree programmes at second or third year. The number of entrants to second year increased by around 5% and to third year by over 20%.

The University works in partnership with 17 local colleges and has developed new opportunities for students to study for a degree in their local college. In 2010/11, this accounted for 208 students in 8 colleges and this number will grow in future.

In 2010/11, for the first time, UWS was included in the National Student Survey. This requires the University to gather information from a large cross-section of students in their third year. 58% of the students surveyed completed the questionnaire (1351 from the 2317 who were surveyed).

Overall student satisfaction was 82% which compares well with the UK average for universities and 14 out of the 19 subject clusters scored above this figure.

Academic Quality and Learning and Teaching

An important activity for the University in 2010/11 was its participation in the Enhancement Led Institutional Review process undertaken by a review team appointed by the Quality Assurance Agency on behalf of the Scottish Funding Council. This involved inputs from staff and students across the University and the visit was a positive experience. The Review report states that there can be confidence in the University's current and likely future management of the quality of awards and the quality of the student learning experience.

The report highlights, amongst other university activities, partnership with students, widening participation, improvements in the availability of information underpinning and evaluative and consultative approach, community links, research student training and support and integrated quality assurance process.

The university is taking forward an action plan to continue improvements in areas such as the experience of our applicants, support for research students, opportunities for placement learning and student progression and retention.

A new Learning, Teaching and Assessment Strategy was approved after extensive consultation during 10/11 and its implementation will require continuing investment by the University.

Staff Recognition and Development

A priority for the University has been the development of approaches to recognition and rewards for staff. In 2010/11, the University's new Recognition and Rewards scheme was launched. These included a local staff recognition scheme, salary rewards and the overall staff appreciation and reward scheme which culminated in a red carpet lunch in June 2011 at which the contribution of many colleagues, both individually and in teams, was recognised.

The University continues to work with and support the Students' Association, SAUWS, which in 2010/11 ran its second and highly successful lecturer awards scheme.

Estates

Most significantly, though, for UWS in 2010/11 has been the continuation of the University's major estates strategy. This has seen the building of the £73m Ayr Campus, new student flats providing residences for 200 students in Ayr with a further 100 planned and the refurbishment of 160 bedspaces in the University's tenement properties in Paisley. This will be followed by the opening of the 336 bedspace development of flats in Paisley, adjacent to the University campus, in summer 2012.

Work continues on the development of the plan and associated estates strategy for Hamilton campus and discussion are underway in Dumfries with the local authority, Scottish Funding Council and other key partners to ensure a sustainable plan for the Dumfries estate. There are further details on these projects at page 8.

The University also reviewed its catering arrangements during the year and decided to integrate into a new internal catering service across Ayr, Hamilton and Paisley campuses which was launched in Summer 2011.

Managing the Financial Environment

UWS has planned to deal with anticipated cuts in central government funding from 2011/12 and put a major programme of activity in place from 2010 (further details of financial aspects below from page 9).

This includes the development of a three year financial plan, a VS/VER scheme rolled out during 2010 to assist with implementation of the new academic portfolio and local restructuring, across-the-board and targeted cost reductions, the introduction of a Leaning programme, increased academic commercialisation, development of University facilities and services, and a new outcomes agreement with the Scottish Funding Council to ensure longer term certainty in relation to Horizon funding.

Principal Risks and Uncertainties

The University has well developed risk management policies and procedures. High level risks are reported on a monthly exception basis to the University Executive Group and on a biannual basis to the University Audit Committee. To support this process, every School and Department maintains and updates a local risk register and registers are held for significant projects.

2010/11 has seen significant positive shifts in the reduction of risks for the University. Principal amongst these are:

- Improvements in student demand and full-time recruitment
- Enhanced financial performance and surpluses
- New approaches to the management of student progression and retention
- Improved accuracy and currency of management information
- Delivery on time and under budget of major estates projects.

The main areas of future risk identified in the corporate risk register are:

- External financial environment.
- Student progression and retention.
- Development of the Hamilton campus.
- University capacity and capability.

Seamus McDaid
Principal

December 2011

FINANCIAL HIGHLIGHTS

	<u>2011</u> £'000	<u>2010</u> £'000
Summary Income and Expenditure Account		
Funding Council Grants	66,494	68,201
Tuition Fees and Education Contracts	19,730	17,736
Research Grants and Contracts	2,983	2,910
Other Income	<u>6,536</u>	<u>6,632</u>
Total Income	95,743	95,479
Total Expenditure	(89,891)	(90,505)
Loss on Disposal of Fixed Assets	<u>-</u>	<u>(51)</u>
Surplus	<u><u>5,852</u></u>	<u><u>4,923</u></u>
Summary Balance Sheet		
Fixed Assets	128,861	87,582
Net Current (Liabilities) / Assets	(2,847)	22,531
Long Term Creditors and Provisions	<u>(19,730)</u>	<u>(7,584)</u>
Net Assets Excluding Pension Liability	106,284	102,529
Pension Liability	<u>(8,292)</u>	<u>(20,953)</u>
Net Assets	<u><u>97,992</u></u>	<u><u>81,576</u></u>
Represented by:		
Deferred Capital Grants	69,427	71,380
Reserves Excluding Pension	36,857	31,149
Pension Reserve	<u>(8,292)</u>	<u>(20,953)</u>
Total Funds	<u><u>97,992</u></u>	<u><u>81,576</u></u>
Summary Cash and Bank		
Cash at Bank at start of year	32,599	27,821
Movements in year	<u>(18,974)</u>	<u>4,778</u>
Cash at Bank at end of year	<u><u>13,625</u></u>	<u><u>32,599</u></u>
Long Term Bank Loan for Residences Development	<u><u>(12,000)</u></u>	<u><u>-</u></u>

The University of the West of Scotland and Incorporation

The University was established on 1 August 2007 when the former Bell College merged with the former University of Paisley. On 30 November 2007 the name of the University changed to the University of the West of Scotland (UWS).

The Court was established under the Further and Higher Education (Scotland) Act 1992 for the purposes of governing the University of the West of Scotland (renamed from the University of Paisley under Statutory instrument 2007 No. 426 Education). The University is an exempt charity for the purpose of the Charities Act 1993 (No. SC 002520).

The University is a regional higher education institution for the West of Scotland. It is multi campus in nature with campuses in Ayr, Dumfries, Hamilton and Paisley. Nearly 20,000 students study with the University each year, over 40% of whom are part-time learners.

The University's mission is to provide distinctive higher education through inspirational teaching and learning and excellent research and knowledge transfer.

Scope of the Financial Statements

The Financial Statements contained within this report refer only to the University.

Financial Target

The University strives to achieve a surplus in the region of £4m to £5m per annum. This is considered the necessary minimum level of surplus to ensure financial stability and sustainability of the University.

Included within the University Strategic Plan and Targets is a requirement to achieve at least 3% surplus on total income every year.

Results for the Year

The University's results for the year ended 31 July 2011 are summarised in the Financial Highlights on page 1.

The operating surplus for the year ended 31 July 2011 was £5.852m on total income of £95.743m.

This is an increase on the £4.923m surplus delivered in the year to 31 July 2010. The operating surplus is also a significant improvement on the budget approved at the start of the financial year of £2.329m. The improvement on budget is a result of higher tuition fee income of £1.8m, savings on operating costs of £1m and the non-utilisation of a specific contingency allowance of £1m.

Student numbers were generally exceeded but there was a small clawback of Scottish Funding Council funding for a shortfall in controlled numbers in Education.

Staff costs were slightly higher than budget, but since there was a challenging and increased savings target of £3.2m applied to meet forecast cuts in funding, staff costs are considered to have been well controlled. Other operating costs were also well controlled and, as a result of the delivery of efficiency schemes, reduced again from the previous year.

There was little requirement for realisation of Contingencies and Provisions and the balance of provisions was released towards the surplus.

Total income was £95.743m, which was slightly higher than for 2009/10. £66.494m (70%) came from Scottish Funding Council grants. Tuition fee income was well ahead of budget.

Total expenditure was £89.891m which was less than the £90.505m expended in 2009/10. Staff costs amounted to £58.458m (65% of total expenditure). Staff costs and other operating costs were both lower than the costs expended in 2009/10. Exceptional restructuring costs of £2.958m were taken to account in the year to 31 July 2011.

Balance Sheet

The Balance Sheet has remained strong and the Net Assets have again increased. Net Assets grew in the year by £16.416m to £97.992m at 31 July 2011.

Fixed assets grew by £41.199m to £127.961m, the majority of that increase being capital work in progress for the new campus in Ayr and the residencies development.

The market value of the University's portfolio of Listed Investments in stocks and shares increased slightly from £0.820m to £0.900m. This is greater than the original cost of the portfolio.

Cash at bank reduced by £18.974m from £32.599m at 31 July 2010 to £13.625m at 31 July 2011 as a result of payments made for the new campus in Ayr.

By 31 July 2011, £12m of the Bank Loan Facility for the residency project had been drawn down to pay for the costs being incurred.

The Pensions Liability in the Balance Sheet has decreased by £12.661m from £20.953m at 31 July 2010 to £8.292m largely as a result of the change in the assumption for valuing liabilities from RPI to CPI.

The increase in Total Funds is largely a result of the surplus for the year and the reduction in the Pension Liability.

Cash and Treasury Management

The cash balances reduced in the year by £18.974m from £32.599m at 31 July 2010 to £13.625m at 31 July 2011.

In recent years, the university actively managed its cash balances to increase them to pay for its share of the costs of the new Ayr campus. The university took ownership of the new Ayr campus on practical completion in August 2011. At 31 July 2011, other than the final account and retentions, the university had made all payment due for the new Ayr campus and had, therefore, accumulated the necessary sums to meet the funding obligations for the new Ayr campus without requirement for borrowing and with funds remaining in the bank.

The University continues to have no borrowings other than the amounts drawn down specifically for the residencies development.

The University actively manages its cash flow and banking of surplus funds in accordance with its Treasury Management and Investment Policy. Funds are spread and invested in fixed term deposits to reduce risks and achieve higher investment income. As a result of this management and despite the low and reduced interest rates, the University achieved £0.365m of investment income towards its surplus. The University also received dividends of £0.033m.

Bank Loan Facility and Draw Down

The university has an approved business case to invest £39.5m in new and refurbished residencies in Ayr and Paisley. Phase one of the project has commenced at a budget capital cost of £26.5m.

To fund the project, the university entered into a Facility Agreement with Santander Bank for £26.5m of funding, £20m of which is available for phase one.

The university has fixed the rate for the phase one £20m for a period of 30 years and has agreed draw down dates, with £12m of the loan having been drawn down by 31 July 2011. The remaining £8m of the phase one loan will be drawn down during the year to 31 July 2012.

The phase one projects are well progressed and the costs are coming in under the business case allowances which will result in the university using less of its cash balances towards the project than originally planned.

There are a number of bank covenants to be met on an on-going basis. The university monitors compliance with the covenants regularly and reports on progress and achievement to committees. The university has met all covenants to date and sees no reason at this stage for any of the covenants to be breached. The main covenants require the university to achieve certain income targets, cash operating surpluses and debt service cost ratios.

Impact of Pension Liability and FRS17

The University's pension liability relating to the local government pension scheme is actuarially re-valued for FRS17 purposes on an annual basis. Details of the pension liability, including the underlying assumptions, are included in note 25 to the accounts.

Until 31 July 2010, the pension valuations were calculated using RPI. As at 31 July 2011, the basis of valuation changed to CPI to align with local government assumptions on payments and liabilities.

As this is a change to a financial assumption and not the terms or policy, the movement is shown in the Statement of Total Recognised Gains and Losses and is not taken to the Income and Expenditure Account.

The value of assets has increased by £10.875m and the liabilities reduced by £1.786m. The result of these movements is that the net liability decreased by £12.661m to £8.292m at 31 July 2011 from the net liability of £20.953m at 31 July 2010.

The decrease of £12.661m comprises the actuarial gain for 2010/11 of £6.286m, a restatement of the opening balance of £6.151m to adjust to CPI and a transfer from the Income and Expenditure Account of £0.224m.

If the basis of valuation had still assumed RPI, the net liability would only have reduced to £19.145m.

The liability arises from the university's share of the multi-employer scheme. It has been calculated based on estimates and assumptions and has been affected by market volatility. It is thought that the liability will continue to diminish over the years with improvements in the main assumptions on asset valuations and liabilities and further adjustments to be taken by the fund to remove the liability.

Creditor's Payment Policy

The University's policy on paying suppliers is that payments are made in accordance with the terms and conditions agreed between the University and its suppliers, provided that suppliers have complied with all trading terms and conditions. The University investigates when suppliers claim that payment is outwith their credit terms.

There are no matters to disclose under the Late Payment of Commercial Debts (Interest) Act.

Capital Expenditure

Capital expenditure in the year totalled £47.865m.

The main areas of investment were the costs for the Ayr Campus rebuild (£31.314m) and Ayr and Paisley Residences (£11.998m), both of which are included in Assets Under Construction.

Investment was also made in ICT projects, purchase of equipment and various building improvements and upgrades across the University.

Developments

The University continued development in accordance with its Estates and ICT Strategies during 2010/11.

Ayr Campus Rebuild

The rebuild of the Ayr campus on an adjacent site in Craigie Park commenced on site in August 2009. The project was completed and the new campus handed over to the University in August 2011. The project includes accommodating the Scottish Agricultural College who are moving from their campus at Auchincruive to co-locate with the University.

The original approved budget for the project including allowances for contingency is £73.9m. Of this, £3.4m is included as the value of land contributed by South Ayrshire Council for which no payment is required. The cash cost of £70.5m is planned to be met by way of £9m from the Scottish Agricultural College for their share of the building, a grant from the Scottish Funding Council of £27.8m and the University's cash contribution of £33.7m.

The new campus was fully commissioned and operational for the commencement of the academic year 2011/12 and was completed as planned, on time and within budget. Costs are being finalised and agreed and all indications are that the final outturn will be less than the approved budget.

Dumfries

The University manages the higher education campus in Dumfries on behalf of the academic partners. UWS receives funding from the SFC to cover a proportion of the relevant share of costs and is taking measures to optimise access to services for learners and constrain costs, including improved use of space.

Redevelopment of Student Residential Accommodation in Ayr and Paisley

New student residences were required for the Ayr Campus, with the demolition of the existing buildings to follow in due course. At Paisley, the University approved plans comprising a blend of new build and refurbishment of those residences adjacent to the University campus. Following a detailed options appraisal, the chosen route was to pursue self-funded build programmes.

The full programme is to build 300 student units in Ayr to support the new campus, 540 new units in Paisley and to fully refurbish the 160 tenemental units in Paisley. This total of 1,000 student bedded accommodation has been planned and approved at a budget cost of £39.5m. To maximise project management and utilisation of assets and to ensure flexibility and good risk management, the project has been planned in two phases. Phase 1 is to build

200 units in Ayr, build 340 new units and refurbish the tenement accommodation in Paisley. The budget for this phase is planned at £26.5m out of the total of £39.5m.

Construction work on the Ayr phase one 200 units commenced on site in September 2010 and practical completion was achieved on 30 August 2011. Students commenced occupancy early in September 2011. The achievement of a tight timescale together with the costs coming in under budget, means this has also been a very successful project.

The Paisley refurbishment project was completed during the summer of 2011. The Paisley new build phase 1 is well progressed to be complete for summer 2012.

Borrowing of £26.5m has been agreed at favourable rates. £20m is available for Phase 1, with the remaining £6.5m to be applied to Phase 2. It is now hoped that actual total costs for phase one will be less than £25m, a saving of at least £1.5m on approved business case.

In all aspects, including cost, finance arrangements, quality, size, flexibility and risk, this has to date been a very successful project and the route of managing and financing has been significantly better than a third party solution.

Hamilton Campus

The main building on the Hamilton campus, the Almada building, is structurally sound but otherwise not adequate for modern day higher educational purposes. Work is continuing as part of the next phase of the Estates strategy to consider the future estate requirements in Hamilton and to develop a Business Case.

Other Projects

In addition to backlog maintenance and statutory requirements, there are a number of schemes which are being developed according to the level of capital funding available. These include upgrades to classrooms, improved student learning facilities, and projects to improve efficiency.

A priority going forward is enhanced informal space for learning and social activity and improvements in the environment to support the increased number of research students.

Long Term Cash Flows and Financing Requirements

The University has produced long term cash flow forecasts to assist in controlling expenditure and to support business cases and the loan drawdown. The University has managed to fund its share of the Ayr Campus rebuild costs from cash balances generated internally. The student residences programme is being managed internally on a ring fenced basis and includes borrowing.

Following these two projects, the University will dispose of surplus assets and use other capital receipts and surpluses to support other development projects.

Dealing with Cuts in 2011/12 Funding and funding for years 2012/13 to 2014/15

The reported surplus for 2010/11 of £5.852m is higher than the surplus included in the business cases for merger and the Ayr Campus rebuild and that which is considered necessary to support the University's requirements for sustainability and developments. It is also pleasing when taking account of the government's decision to reduce the number of initial teacher education funded places which resulted in a reduction in income to the University of over £1.2m in 2010/11.

The University did plan to deal with anticipated cuts in central government funding from 2011/12 and has a programme of activity in place.

This includes the development of a three year financial plan, a VS/VER scheme rolled out during 2010 to assist with implementation of the new academic portfolio and local restructuring, across-the-board and targeted cost reductions, the introduction of a Leaning

programme, increased academic commercialisation, development of University facilities and services, and a new outcomes agreement with the Scottish Funding Council to ensure longer term certainty in relation to Horizon funding.

For 2011/12, the university's funding from the Scottish Funding Council will drop by £4.6m. This includes the first year of reduction in student nursing numbers. Including the impact of inflation, the financial position moving from 2010/11 to 2011/12 will worsen by about £7m. This will be partially offset by £2m of savings from the 2010 VS/VER scheme which will be delivered in 2011/12.

Despite the difficulties, the University managed to set a budget showing a bottom line surplus of £1.7m. That in itself will be sufficient to meet the bank loan covenants for 2011/12 and every effort will be made to improve on the budget position as has occurred in recent years.

There was concern that further cuts would be applied in future years, but the spending review announced in September 2011 increases funding to universities for the three years 2012/13 to 2014/15.

Until the grant award letters are issued by the Scottish Funding Council, planned for December 2011, the University will not know exactly how much funding it will receive; however, the overall settlement for the sector is encouraging, and the university would expect to receive its fair and proper allocation.

The university is pleased to have delivered the new Ayr campus on time and to budget, and to see substantial progress on its residences portfolio; these achievements take forward our capital ambitions for UWS, but other major investment projects remain alongside the ongoing maintenance of our entire estate and associated equipment, some of which will require replacement over the coming years. An expectation of reduced capital funding in the medium term makes it more important than ever to maintain tight financial management which will continue to deliver an adequate, annual surplus on our revenue accounts. The university will be undertaking a close examination of its asset base to identify all future options for investment.

The funding taken out of the sector for 2011/12 of about 8% is to be recovered in 2012/13 and there are to be inflationary increases of 4% and 2% in the following two years. This means that the university sector will receive about 6% increased funding in cash terms for the four years 2010/11 to 2014/15. Although not sufficient on its own to meet inflationary pressures, under the current global economic conditions it should be welcomed and further efficiency drives and schemes by the University will deliver further funds.

An area of concern is the decrease in capital funding and this decrease is to continue for the period of the Spending Review.

The university is grateful that it managed to deliver the new Ayr campus and that the residences project is well underway, but there are other major projects and all estate and equipment requires to be maintained and over time replaced.

The reduced capital funding makes it more important that adequate surpluses are delivered to contribute towards developments, maintenance and replacements.

Conclusion

The University continued to make considerable progress in 2010/11 and remains in a position of financial stability with a sound underlying surplus and Balance Sheet and with good cash flows. This financial performance and position is essential to enable the University to deliver the exciting, but stretching, objectives agreed in the Strategic Plan, particularly the academic strategy and capital infrastructure programme.

With the funding cuts and the reducing numbers of students entering nursing, 2011/12 will be a challenging year financially. The University's current strong financial position and recent planning are vital to ensure the University can adequately cope with the difficulties ahead. Key to achieving the objectives is the continuing commitment and effort of all staff of the University which has been very evident in recent years. The Court thanks the UWS staff for their continued support for the University.

Richard Blackburn
Chairman of Court
University of the West of Scotland
PAISLEY PA1 2BE

December 2011

CORPORATE GOVERNANCE

The University is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the University has applied the principles set out in Section 1 of the Combined Code on Corporate Governance issued by the London Stock Exchange in 2006 as far as it applies to universities. Its purpose is to help the reader of the accounts understand how the principles have been applied.

The University's Court is responsible for the University's system of internal controls and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide reasonable but not absolute assurance against material misstatement or loss.

The Court is of the view that there is an ongoing process for identifying, evaluating and managing the University's significant risks that has been in place for the year ended 31 July 2011 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Court and accords with the internal control guidance for Directors on the Combined Code as amended by the British Universities Finance Directors Group.

The University Court comprises lay and academic persons appointed in terms of the University of the West of Scotland Order of Council 2009. The University's Constitution was revised to reflect the new name of the institution and a revised Order of Council was approved by Parliament and the Privy Council in 2009. There were no significant changes to the remit or membership of Court. The majority of members are non-executive lay Governors. The roles of Chairman and Vice Chairman of the Court are separated from the role of the University's Chief Executive; the Principal and Vice Chancellor. The matters specially reserved to the Court for decision are set out in the University of the West of Scotland Order of Council 2009, by the detailed regulation of Court and under the Financial Memorandum with the Scottish Funding Council (SFC). The Court retains the responsibilities for the ongoing strategic direction of the University, approval of major developments, Health and Safety, and the monitoring of progress against Strategic Plan Targets.

The University Court is required to meet at least four times per year and has met five times in the year to 31 July 2011. The Court has several committees, including a Policy and Resources Committee, covering finance, general policy, human resources and estates issues, a Nominations Committee, a Remuneration Committee and an Audit Committee. All of these Committees have remits and memberships formally constituted by resolutions of Court. All Court Committees have lay members of Court as the majority memberships.

Under the University's Order in Council, Court has constituted a Senate to which it has delegated academic business. Senate carries out the functions of Court that relate to the overall planning, co-ordination, development and supervision of the academic work of the University. The Principal and Vice-Chancellor, who is also a member of Court, chairs Senate.

A major restructuring of the Senate Sub Committees was approved by Senate in June 2009 and put in place in September 2009. The University Executive Group has been formed, chaired by the Principal and comprising the Vice Principals, Deans and University Secretary. This is a formal group of the University's senior management which meets monthly and reports to Senate and via Senate to Court. The group is responsible for executive oversight of the Strategic Plan, integrating developments and proposals and collective overview of the development priorities.

In respect of its strategic and development responsibilities, the Court receives recommendations from the Policy and Resources Committee. The Policy and Resources

Committee received recommendations from other Committees including the Financial Monitoring Committee.

The Policy and Resources Committee recommends to the Court the University's annual revenue and capital budgets. The Policy and Resources Committee monitors performance in relation to approved budgets. The detailed work on this is undertaken by the Financial Monitoring Committee.

The Financial Monitoring Committee receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms that are embedded within the operational units.

The Student Experience Group, which reports to Senate, provides a forum to review and improve the student experience at the University. To enable Court to retain an overview of the student experience, a lay member of Court is included in the membership of the Student Experience Group.

The Nominations Committee considers nominations for vacancies in the Court membership in terms of the University of The West of Scotland Order of Council 2009. In terms of the Order, the majority of its members are lay members appointed by Court itself on the recommendation of its Nominations Committee for such periods as the Order in Council and the policies adopted by Court prescribe.

The Remuneration Committee determines the remuneration of the Principal and members of the University Executive Group.

The Audit Committee meets at least three times per year, and in the year to 31 July 2011 met five times, with the University's external and internal auditors in attendance as appropriate. The Committee complies with the best practice guidance for members of Audit Committees in higher education and 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 SFC as they affect the University's business and monitors adherence to the regulatory requirements. Whilst senior officers attend meetings of the Audit Committee as necessary, they are not members of the Committee and if requested by either party the Committee meets the External Auditors and / or the Internal Auditors on their own for independent discussions.

The senior management team and the Audit Committee also receive regular reports from the internal auditors, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high level review of the arrangements for internal control. The Court's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2011 meeting, the Court carried out the annual assessment for the year ended 31 July 2011 by considering a report from the Audit Committee, a report from the University's Internal Auditors, the University's externally audited Statements of Account and any notification of any relevant events since 31 July 2011.

The Health and Safety Committee meets three times a year and produces an annual report for approval by Court at one of its statutory meetings.

The Court assesses the effectiveness of Court on a tri-annual basis and completed its last assessment at its February 2009 meeting.

The University Court having considered the Guide for Members of Higher Education Governing Bodies in the UK affirmed its principles and confirmed that the University's practices were consistent with the provision of the Governance Code of Practice. The Court adopted the Guide as an integral part of Court's Policies and Procedures as set out in the University Court Handbook. The Court confirmed the University's conformity to the benchmarks within the parameters set by the University of the West of Scotland Order of Council 2009.

_____ Richard Blackburn, Chairman of the Court

_____ Professor Seamus McDaid, Principal & Vice Chancellor

MEMBERSHIP OF PRINCIPAL COMMITTEES OF COURT

Court Membership as at 31 July 2011

Chairman of Court

Mr R Blackburn

Chair of Nominations Committee and Remuneration Committee. Member of Policy & Resources Committee.

Ex Officio

Principal and Vice-Chancellor
Professor S McDaid

Member of Policy & Resources Committee and Nominations Committee.

Depute Principal
Ms G Troup

Member of Policy & Resources Committee and Nominations Committee.

President, Students' Association
Ms S Duncan

Member of Policy & Resources Committee.
(Depute President, Education & Welfare)

Appointed by the Students' Association

Campus President, Hamilton
Ms S Phillips

Appointed

Mr B Clarke

Member of Policy & Resources Committee and Remuneration Committee.

Ms E Connolly

Member of Policy & Resources Committee.

Ms M Cunningham

Member of Policy & Resources Committee

Mr R J Dinning (appointed January 2011)

Mr A Haseeb

Member of Audit Committee.

Dr W Hatton (appointed January 2011)

Mrs C Mackie

Mrs E McCann

Vice Chair of Court, Vice Chair of Policy & Resources Committee and Member of Remuneration Committee.

Mr J McDonald (appointed January 2011)

Mr J McDougall

Mr M O'Callaghan

Mr J G Peterkin

Vice Chair of Audit Committee.

Professor C Suckling OBE

Member of Audit Committee.

Mr J Wardrop (retired November 2010)

Member of Audit Committee.

Mr N Walker

Chair of Audit Committee.

Mr I Welsh

Chair of Policy & Resources Committee and Member of Remuneration Committee

Appointed by Senate

Professor R Williamson

Member of Policy & Resources Committee.

Dr H Simpson

Member of Policy & Resources Committee.

Elected by Staff from Academic Staff

Mr J Robertson

Member of Policy & Resources Committee.

Elected by Staff from Academic Support Staff

Mr K Galbraith

RESPONSIBILITY OF THE UNIVERSITY COURT

In accordance with the University of The West of Scotland Order of Council 2009, the Court is responsible for the administration and management of the affairs of the University, including an effective system of internal control, and is required to present audited financial statements for each financial year.

The Court is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the Statement of Recommended Practice on Accounting in Higher Education and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the SFC and the Court of the University, the Court, through its designated Accounting Officer, 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 ensured that:

- suitable accounting policies are selected and applied consistently.
- judgements and estimates are made that are reasonable and prudent.
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the University will continue in operation. The Court is satisfied that it has adequate resources to continue in operation for the foreseeable future. For this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Court has taken reasonable steps to:

- ensure that funds from the SFC are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions that 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.
- safeguard the assets of the University and prevent and detect fraud.
- secure the economical, efficient and effective management of the University's resources and expenditure.

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

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments.
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets.
- regular reviews of key performance indicators and business risks and quarterly reviews of financial results involving variance reporting and updates of forecast outturns.
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by Court.
- comprehensive Financial Regulations, detailing financial controls and procedures.
- a professional Internal Audit team whose annual programme is approved by the Audit Committee and endorsed by the Court and whose head provides the Court with a report on internal audit activity within the University and an opinion on the adequacy and effectiveness of the University's system of internal control, including internal financial control.

Any system of internal financial control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

INDEPENDENT AUDITORS' REPORT TO THE UNIVERSITY'S COURT OF THE UNIVERSITY OF THE WEST OF SCOTLAND

We have audited the financial statements of the University of the West of Scotland for the year ended 31 July 2011 which comprise Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the University Court of the University of the West of Scotland, as a body, in accordance with the Financial Memorandum 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 them 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 of the University of the West of Scotland as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the University Court and auditor

As explained more fully in the Statement of the Responsibilities of the University's Court set out on page 14, the University Court is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the University's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the University Court; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Operating and Financial Review to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the University's affairs as at 31 July 2011 and of the surplus of the income over expenditure and the cash flows for the year then ended; and
- have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education.

Opinion on other matters prescribed by applicable regulations

In our opinion:

- funds from the Scottish Funding Council, grants and income for specific purposes and from other restricted funds administered by the University have, in all material respects, been applied only for the purposes for which they were received; and

- income has, in all material respects, been applied in accordance with the Further and Higher Education (Scotland) Act 1992 and, where appropriate, the Financial Memorandum with the Scottish Funding Council.

James Douglas Nisbet (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow

Date:

Ernst & Young LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Notes:

1. The maintenance and integrity of the University of the West of Scotland web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INCOME AND EXPENDITURE ACCOUNT 31 JULY 2011

		Year Ended 31 July 2011 £000	Year Ended 31 July 2010 £000
	Note		
INCOME			
Funding Council Grants	2	66,494	68,201
Tuition Fees / Education Contracts	3	19,730	17,736
Research Grants and Contracts	4	2,983	2,910
Other Income	5	5,954	5,961
Investment Income	6	<u>582</u>	<u>671</u>
Total Income		<u>95,743</u>	<u>95,479</u>
EXPENDITURE			
Staff Costs	7	58,458	59,200
Exceptional Restructuring Cost	7	2,958	-
Other Operating Expenses	8	21,809	24,415
Depreciation	10	<u>6,666</u>	<u>6,890</u>
Total Expenditure		<u>89,891</u>	<u>90,505</u>
Surplus on Continuing Operations after Depreciation of Tangible Fixed Assets at Cost		5,852	4,974
Loss on Disposal of Fixed Assets		<u>-</u>	<u>(51)</u>
Surplus on Continuing Operations after Depreciation of Tangible Fixed Assets at Cost, Disposal of Assets before and after Tax		<u>5,852</u>	<u>4,923</u>

The income and expenditure of the University is related wholly to continuing operations.

There is no difference between the surplus on a historical cost basis and the surplus for the year presented above.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES 31 JULY 2011

	Note	Year Ended 31 July 2011 £000	Year Ended 31 July 2010 £000
Surplus on Continuing Operations after Depreciation of Assets at Cost, Disposal of Assets and Tax		5,852	4,923
Unrealised Appreciation of Investments	11	80	73
Actuarial Gain in Pension Plan	25	<u>12,437</u>	<u>5,630</u>
Total Recognised Gains Relating to Period		<u>18,369</u>	<u>10,626</u>
RECONCILIATION			
Opening Reserves		10,196	(430)
Total Recognised Gains Relating to Period		<u>18,369</u>	<u>10,626</u>
Closing Reserves		<u>28,565</u>	<u>10,196</u>

BALANCE SHEET YEAR ENDED 31 JULY 2011

	Note	Year Ended 31 July 2011 £000	Year Ended 31 July 2010 £000
FIXED ASSETS			
Tangible Assets	10	127,961	86,762
Investments	11	<u>900</u>	<u>820</u>
		<u>128,861</u>	<u>87,582</u>
CURRENT ASSETS			
Stock		32	29
Debtors	12	1,498	4,361
Cash at Bank and in Hand		<u>13,625</u>	<u>32,599</u>
		15,155	36,989
CREDITORS			
Amounts Falling Due Within One Year	13	<u>(18,002)</u>	<u>(14,458)</u>
Net Current (Liabilities) / Assets		<u>(2,847)</u>	<u>22,531</u>
Net Assets Less Current Liabilities		126,014	110,113
CREDITORS			
Amounts Falling Due After More Than One Year	14	(12,000)	-
Provisions for Liabilities and Charges	15	<u>(7,730)</u>	<u>(7,584)</u>
Net Assets Excluding Pension Liability		106,284	102,529
Pension Liabilities		<u>(8,292)</u>	<u>(20,953)</u>
Net Assets including Pension Liability		<u><u>97,992</u></u>	<u><u>81,576</u></u>

BALANCE SHEET YEAR ENDED 31 JULY 2011

	Note	Year Ended 31 July 2011 £000	Year Ended 31 July 2010 £000
DEFERRED CAPITAL GRANTS	16	<u>69,427</u>	<u>71,380</u>
RESERVES			
Income and Expenditure Account excluding Pension Reserve	18	36,588	30,960
Pension Reserve	19	<u>(8,292)</u>	<u>(20,953)</u>
Income and Expenditure Account including Pension Reserve		28,296	10,007
Revaluation Reserve	17	<u>269</u>	<u>189</u>
Total Reserves		<u>28,565</u>	<u>10,196</u>
Total Funds		<u><u>97,992</u></u>	<u><u>81,576</u></u>

The Financial Statements on pages 18 to 42 were approved by Court on 13 December 2011 and were signed on its behalf by:

_____ Richard Blackburn, Chairman of the Court

_____ Professor Seamus McDaid, Principal and Vice Chancellor

CASH FLOW STATEMENT YEAR ENDED 31 JULY 2011

	Note	Year Ended 31 July 2011 £000	Year Ended 31 July 2010 £000
Cash Inflow from Operating Activities	20	14,088	5,806
Returns on Investments and Servicing of Finance	21	239	639
Capital Expenditure and Financial Investment	22	(45,301)	(1,667)
Financing	23	<u>12,000</u>	<u>-</u>
(Decrease) / Increase in Cash in the Year		<u>(18,974)</u>	<u>4,778</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN FUNDS

	Note	Year Ended 31 July 2011 £000	Year Ended 31 July 2010 £000
(Decrease) / Increase in Cash in the Year		(18,974)	4,778
Cash Inflow in Relation to Financing	23	<u>(12,000)</u>	<u>-</u>
Movement in Net Funds in the Year		(30,974)	4,778
Net Funds at 1 August	24	<u>32,599</u>	<u>27,821</u>
Net Funds at 31 July	24	<u>1,625</u>	<u>32,599</u>

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies of the University are as set out below. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

The policies remain unchanged from the previous years when the accounting treatment for pensions for the new merged University, from 1 August 2007, adopted FRS17 "Retirement Benefits"

Basis of Preparation and Change in Accounting Policy

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2007 and in accordance with applicable Accounting Standards. They conform to guidance published by the Funding Council.

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed asset investments.

Recognition of Income

Funding Council block grants are accounted for in the period to which they relate.

Fee income is stated gross and credited to the income and expenditure account over the period in which students are studying. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Recurrent income from grants, contracts and other services rendered are accounted for on an accruals basis and included to the extent of the completion of the contract or service concerned. Any payments received in advance of such performance are recognised on the Balance Sheet as liabilities.

Non-recurrent 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.

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.

Maintenance of premises

The University has a long-term maintenance plan, which forms the basis of the ongoing maintenance of the estate. The cost of long term and routine corrective maintenance is charged to the income and expenditure account as incurred.

Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling either at year-end rates or, where there are related to forward foreign contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

Pension Schemes

Retirement benefits for employees of the University are provided by the Scottish Teachers Superannuation Scheme (STSS), the Strathclyde Pension Fund (SPF) and the Universities Superannuation Scheme (USS). For employee purposes, these are defined benefit schemes and are contracted out of the State Earnings Related Pension Scheme.

For accounting treatment purposes, STSS and USS are still treated as defined contribution schemes.

For the SPF, the actuaries provide a valuation of the institution's share of the underlying assets and liabilities and these have been incorporated in the accounts using FRS17.

Tangible fixed assets

Land and buildings

Land and buildings are stated at cost less depreciation and, where appropriate, any provisions for estimated losses on disposal.

Land, which is held freehold, is not depreciated as it is considered to have an indefinite useful life. Buildings are depreciated over their expected useful lives of up to 50 years and leasehold land over the life of the lease. Alterations and additions to buildings are depreciated over the expected useful life of the work carried out.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Buildings under construction are accounted for at cost, based on the value of architect's certificates and other direct costs incurred to 31 July. Borrowing costs directly attributable to assets under construction are capitalised as part of the cost of that asset. The buildings are not depreciated until they are brought into use.

Buildings which are acquired with the aid of specific grants 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 lives of the buildings.

Equipment

Equipment, including microcomputers and software, costing less than £5,000 per individual item or group of related items is expensed in the income and expenditure account in the year of acquisition. All other equipment is capitalised at cost.

Capitalised equipment is depreciated in annual instalments over its expected useful life, which has been taken as four years for all equipment.

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated as above, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

Leased Assets

Where the University is a lessor of operating leases, the assets are included in 'Tangible Fixed Assets'. Rents receivable under operating leases are accounted for on the straight-line basis over the period of the leases and are included in Other Operating Income.

Investments

Listed investments are included in the balance sheet at market value.

Unlisted investments are included in the balance sheet at the lower of their original cost and net realisable value.

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Taxation Status

The University is an exempt charity (SC 002520) within the meaning of Schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of Section 506(1) of the Income and Corporation Taxes Act (ICTA) 1988. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the ICTA1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The University receives no similar exemption in respect of Value Added Tax.

Liquid resources

Liquid resources include sums on short-term deposits with recognised banks.

Provisions

Provisions are recognised when the institution 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.

Agency Arrangements

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

Key Estimations and Assumptions

The University has used estimates and assumptions in arriving at certain figures within the financial statements. The resulting accounting estimates may not equate with the actual results which will only be known in time. The key area of estimation is pensions, with further details of the assumptions used disclosed in the notes.

2. FUNDING COUNCIL GRANTS

	Year Ended 31 July 2011 £000	Year Ended 31 July 2010 £000
Recurrent Grant from SFC		
Teaching	59,472	59,904
Research	1,821	1,760
Specific Grants from SFC		
Greater Opportunities for Access and Learning with Schools (GOALS) and West of Scotland Wider Access Regional Forum (WoSWARF)	457	549
Dumfries Campus Strategic Funding	529	819
Other Research	75	275
Collaborative Grants	-	207
Other	222	255
Deferred Capital Grants Released in Year		
Buildings	1,953	2,365
Equipment	1,965	2,067
	66,494	68,201

3. TUITION FEES AND EDUCATION CONTRACT

	Year Ended 31 July 2011 £000	Year Ended 31 July 2010 £000
Full Time Students – Home and EU	13,992	11,699
Full Time Students – Overseas	2,508	2,358
Part Time Fees	1,985	2,212
Short Course Fees	355	399
Total Fees Paid by or on Behalf of Individual Students	18,840	16,668
Nursing Education Contracts	890	1,068
	19,730	17,736

4. RESEARCH GRANTS AND CONTRACTS

	Year Ended 31 July 2011 £000	Year Ended 31 July 2010 £000
Research Council	619	515
European Commission	250	320
UK Based Charities	193	206
Other Grants Contracts	1,784	1,588
Releases from Deferred Capital Grants	137	281
	2,983	2,910

5. OTHER INCOME

	<u>Year Ended</u> <u>31 July 2011</u> £000	<u>Year Ended</u> <u>31 July 2010</u> £000
Residences, Catering and Conferences	3,390	3,323
Other Services Rendered	1,316	1,358
Released from Deferred Capital Grants	462	577
Other Income	<u>786</u>	<u>703</u>
	<u><u>5,954</u></u>	<u><u>5,961</u></u>

6. INVESTMENT INCOME

	<u>Year Ended</u> <u>31 July 2011</u> £000	<u>Year Ended</u> <u>31 July 2010</u> £000
Interest Receivable	365	639
Dividends Receivable	33	32
Net return on Pension Scheme Liability	<u>184</u>	<u>-</u>
	<u><u>582</u></u>	<u><u>671</u></u>

7. STAFF COSTS

	<u>Year Ended 31 July 2011</u>	<u>Year Ended 31 July 2010</u>
Average FTE Staff Numbers by Major Category:	Number	Number
Academic	583	610
Technical	69	73
Administrative	224	228
Other, Including Clerical and Manual	<u>522</u>	<u>538</u>
	<u>1,398</u>	<u>1,449</u>

Staff Costs for the Above

	<u>Year Ended 31 July 2011</u>	<u>Year Ended 31 July 2010</u>
	£000	£000
Wages and Salaries	47,410	48,041
Social Security Costs	3,839	3,869
Pension Costs (note 25)	<u>7,209</u>	<u>7,290</u>
	<u>58,458</u>	<u>59,200</u>
Exceptional Restructuring Cost	<u>2,958</u>	<u>-</u>

The exceptional restructuring cost relates to a voluntary severance and voluntary retirement scheme. The scheme was approved by the institution's Remuneration Committee and Court.

Emoluments of Vice Chancellor	<u>213</u>	<u>212</u>
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The emoluments of the Vice Chancellor exclude employer's pension contributions of £31,713 (2009/10 £31,650).

In view of the economic austerity, the Vice Chancellor declined to take the performance related pay awarded to him and which he would have received in respect of the assessment of his performance in 2010/11. This payment would have been 6% of his salary. Only a cost of living increase of 0.4% was applied.

Remuneration of other Higher Paid Staff Excluding Employers' NI and Pension contributions:

	<u>Year Ended 31 July 2011</u>	<u>Year Ended 31 July 2010</u>
	Number	Number
£70,000 - £79,999	10	10
£80,000 - £89,999	1	3
£90,000 - £99,999	3	3
£100,000 - £109,999	-	-
£110,000 - £119,999	1	2
£120,000 - £130,000	1	-

8. OTHER OPERATING EXPENSES

	Year Ended 31 July 2011 £000	Year Ended 31 July 2010 £000
Repairs and General Maintenance	2,176	2,223
Utilities	1,396	1,708
Rent, rates & Insurance	948	1,204
Telephone & postage	488	417
Pension Provision Uplift	295	469
General Running Costs	4,457	5,274
Professional Fees	2,949	2,489
Books, Periodicals and Subscriptions	1,599	1,578
Residences, Catering and Conferences	1,837	2,029
Travel, Fellowships and Scholarships	1,886	1,636
Grant to Student Association	620	640
Fee Waivers and Discounts	1,202	1,590
SFC Specific Grants	258	458
Research Grant Expenses	1,698	1,713
Net Charge on Pension Scheme liability	<u>-</u>	<u>987</u>
	<u>21,809</u>	<u>24,415</u>

The return on the pension scheme liability for the current year was positive and has been included in Investment Income (see note 6).

Other Operating Expenses Include:

Auditors' Remuneration: External Audit - Audit Services	54	52
External Audit - Non Audit Services	-	-

9. ANALYSIS OF EXPENDITURE BY ACTIVITY

2010/2011

	Staff Costs £000	Other Operating Expenses £000	Depreciation £000	Total £000
Academic Departments	37,849	5,769	968	44,586
Academic Services	7,495	2,717	1,905	12,117
Research Grants and Contracts	1,828	1,772	289	3,889
Residences, Catering and Conferences	854	1,811	280	2,945
Premises	4,081	3,529	3,083	10,693
Administration	8,544	5,312	94	13,950
Other Services Rendered	765	890	47	1,702
Other Expenses	-	9	-	9
Total Expenditure	<u>61,416</u>	<u>21,809</u>	<u>6,666</u>	<u>89,891</u>

The depreciation charge has been funded by:

Deferred Capital Grants Released (Note 16)	4,517
General Income	<u>2,149</u>
	<u>6,666</u>

2009/2010

	Staff Costs £000	Other Operating Expenses £000	Depreciation £000	Total £000
Academic Departments	36,748	5,243	683	42,674
Academic Services	7,415	3,072	1,970	12,457
Research Grants and Contracts	1,888	1,685	354	3,927
Residences, Catering and Conferences	857	1,991	205	3,053
Premises	3,755	4,666	3,457	11,878
Administration	7,274	6,990	161	14,425
Other Services Rendered	934	756	60	1,750
Other Expenses	<u>329</u>	<u>12</u>	-	<u>341</u>
Total Expenditure	<u>59,200</u>	<u>24,415</u>	<u>6,890</u>	<u>90,505</u>

Total depreciation charge has been funded by:

Deferred Capital Grants Released (Note 16)	5,290
General Income	<u>1,600</u>
	<u>6,890</u>

10. TANGIBLE ASSETS

	Residences Freehold Land and Buildings £000	Academic and Sports Grounds Freehold Land and Buildings £000	Capital Work In Progress £000	Equipment £000	Total £000
Cost					
At 1 August 2010	12,389	67,365	29,762	43,418	152,934
Additions	-	1,575	43,857	2,433	47,865
Disposals	-	-	-	-	-
Transfer to Buildings	-	-	-	-	-
At 31 July 2011	<u>12,389</u>	<u>68,940</u>	<u>73,619</u>	<u>45,851</u>	<u>200,799</u>
Depreciation					
At 1 August 2010	4,277	23,252	-	38,643	66,172
Charge for Year	260	3,277	-	3,129	6,666
Disposals	-	-	-	-	-
At 31 July 2011	<u>4,537</u>	<u>26,529</u>	<u>-</u>	<u>41,772</u>	<u>72,838</u>
Net Book Value					
At 31 July 2010	<u>8,112</u>	<u>44,113</u>	<u>29,762</u>	<u>4,775</u>	<u>86,762</u>
At 31 July 2011	<u>7,852</u>	<u>42,411</u>	<u>73,619</u>	<u>4,079</u>	<u>127,961</u>

The figures above include assets held for use in operating leases as follows:

	Year Ended 31 July 2011 £000	Year Ended 31 July 2010 £000
Cost	3,532	3,532
Accumulated Depreciation	<u>(1,179)</u>	<u>(1,049)</u>
	<u>2,353</u>	<u>2,483</u>

Buildings with a net book value of £15 million and cost of £20 million have been funded by Treasury Sources. Should these particular buildings be sold, the University would have to either surrender the proceeds to the Treasury or use them in accordance with the Financial Memorandum of the Scottish Funding Council.

Capital Work in Progress relates to costs incurred on the development of the new of University Campus Ayr and the Ayr and Paisley Residences.

The new Ayr Campus was operational for the start of the 2011/12 academic year.

11. INVESTMENTS

	<u>Year Ended</u> <u>31 July 2011</u> £000	<u>Year Ended</u> <u>31 July 2010</u> £000
Balance at 1 August	820	747
Appreciation on Revaluation	<u>80</u>	<u>73</u>
Balance of Listed Investments at 31 July	<u>900</u>	<u>820</u>

12. DEBTORS

	<u>Year Ended</u> <u>31 July 2011</u> £000	<u>Year Ended</u> <u>31 July 2010</u> £000
Amounts Falling Due Within One Year:		
Trade Debtors	820	862
Other Debtors	17	7
Prepayments and Accrued Income	653	3,493
Intercompany	<u>8</u>	<u>(1)</u>
	<u>1,498</u>	<u>4,361</u>

13. CREDITORS

	<u>Year Ended</u> <u>31 July 2011</u> £000	<u>Year Ended</u> <u>31 July 2010</u> £000
Amounts Falling Due Within One Year:		
Trade Creditors	2,529	4,043
Other Creditors and Deposits	352	909
Social Security and Other Taxation Payable	1,388	1,291
Accruals and Deferred Income	<u>13,733</u>	<u>8,215</u>
	<u>18,002</u>	<u>14,458</u>

14. CREDITORS

	<u>Year Ended</u> <u>31 July 2011</u> £000	<u>Year Ended</u> <u>31 July 2010</u> £000
Amounts Falling Due After More than One Year:		
After One and Within Two Years	-	-
After Two and Within Five Years	92	-
After Five Years	<u>11,908</u>	<u>-</u>
Bank Loans Repayable After More Than One Year	<u>12,000</u>	<u>-</u>

The University has a loan facility of £26.5 million and £20m of this has been fixed for 30 years. £12m has been drawn down as at 31 July 2011. It is repayable over a 30 year period.

Interest is charged at a rate of 5.03971% on the first £10m and 5.51971% on the next £10m. The total interest charged in the year was £126k and has been capitalised against the Residences Projects.

15. PROVISIONS FOR LIABILITIES AND CHARGES

The university has an obligation in respect of former employees who have retired and for whom an enhanced pension has been provided. This liability is assessed annually at the year-end by independent actuarial valuation (Hymans Robertson) and continues throughout the retirement period.

A liability in respect of employees who transferred to the University in 1996 under TUPE was identified in 2003/2004 and continues to be provided for.

At 31 July 2011, clawback provision has been retained for the element of the SFC main grant for 2010/11 that the University has to repay to SFC. This liability has arisen from a shortfall in fulfilling the SFC target set for student numbers.

Provision has been made for dilapidation costs at the Dumfries Campus.

	Unfunded Pension	Clawback	Dilapidation	Total
	£000	£000	£000	£000
At 1 August 2010	7,434	150	-	7,584
Utilised in year	(449)	-	-	(449)
Transfer from Income and Expenditure Account for Former Employees	193	-	-	193
Additional Provision Required in the Year for Employees who Transferred in 1996	102	-	-	102
Transfer from Income and Expenditure Account	<u>-</u>	<u>-</u>	<u>300</u>	<u>300</u>
At 31 July 2011	<u>7,280</u>	<u>150</u>	<u>300</u>	<u>7,730</u>

16. DEFERRED CAPITAL GRANTS

	<u>Funding Council</u> £000	<u>Other Grants and Benefactions</u> £000	<u>Total</u> £000
At 1 August 2010			
Buildings	53,968	12,395	66,363
Equipment	<u>4,693</u>	<u>324</u>	<u>5,017</u>
Total	<u>58,661</u>	<u>12,719</u>	<u>71,380</u>
Cash Received			
Buildings	2,515	-	2,515
Equipment	<u>-</u>	<u>49</u>	<u>49</u>
Total	<u>2,515</u>	<u>49</u>	<u>2,564</u>
Released to Income and Expenditure			
Buildings	1,953	450	2,403
Equipment	1,965	149	2,114
Disposal	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>3,918</u>	<u>599</u>	<u>4,517</u>
At 31 July 2011			
Buildings	54,530	11,945	66,475
Equipment	<u>2,728</u>	<u>224</u>	<u>2,952</u>
Total	<u>57,258</u>	<u>12,169</u>	<u>69,427</u>

Of the grants balance brought forward at 1 August 2010, £1.950m has been reclassified from buildings to equipment.

17. REVALUATION RESERVE

	<u>Year Ended 31 July 2011</u> £000	<u>Year Ended 31 July 2010</u> £000
Revaluations:		
Balance at 1 August	189	116
Appreciation of Investments in Year	<u>80</u>	<u>73</u>
Balance at 31 July	<u>269</u>	<u>189</u>

18. INCOME AND EXPENDITURE ACCOUNT RESERVE

	Year Ended 31 July 2011 £000	Year Ended 31 July 2010 £000
Income and Expenditure Account Reserve		
Balance at 1 August	30,960	24,960
Surplus after Depreciation of Assets at Cost and Tax	5,852	4,923
Transfer (To) / From Pension Reserve	<u>(224)</u>	<u>1,077</u>
Balance at 31 July	<u><u>36,588</u></u>	<u><u>30,960</u></u>

19. PENSION RESERVE

	Year Ended 31 July 2011 £000	Year Ended 31 July 2010 £000
Pensions at 1 August	(20,953)	(25,506)
Actuarial Gain on Pension Scheme Liability as a Result of Valuation on CPI Basis	6,151	-
Actuarial Gain on Pension Schemes Liability	6,286	5,630
Transfer To / From Income and Expenditure Account	<u>224</u>	<u>(1,077)</u>
Balance at 31 July	<u><u>(8,292)</u></u>	<u><u>(20,953)</u></u>

20. RECONCILIATION OF OPERATING SURPLUS TO NET CASH FROM OPERATING ACTIVITIES

	Year Ended 31 July 2011 000	Year Ended 31 July 2010 £000
Note		
Operating Surplus before Tax	5,852	4,923
Exchange Loss / (Gain)	(21)	35
Loss on Disposal of Fixed Assets	-	51
Pension costs less contributions payable	(357)	1,093
Depreciation	6,666	6,890
Released Deferred Capital Grants	(4,517)	(5,290)
Interest Paid	126	-
Interest Received	(365)	(639)
Increase in Stocks	(3)	(4)
(Increase) / Decrease in Debtors	2,863	(2,287)
Increase / (Decrease) in Creditors	3,544	940
Increase in Provisions	<u>300</u>	<u>94</u>
Net Cash Inflow from Operating Activities	<u><u>14,088</u></u>	<u><u>5,806</u></u>

21. RETURN OF INVESTMENTS AND SERVICING OF FINANCE

	Year Ended 31 July 2011 £000	Year Ended 31 July 2010 £000
Other Interest Received	365	639
Interest Paid	<u>(126)</u>	<u>-</u>
Net Cash Inflow from Returns on Investments and Servicing of Finance	<u>239</u>	<u>639</u>

22. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS

	Year Ended 31 July 2011 £000	Year Ended 31 July 2010 £000
Proceeds from Sale of Fixed Assets	-	59
Purchase of Tangible Fixed Assets	(47,865)	(30,854)
Deferred Capital Grants Received	<u>2,564</u>	<u>29,128</u>
Net Cash Outflow from Capital Expenditure and Financial Investment	<u>(45,301)</u>	<u>(1,667)</u>

23. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Year Ended 31 July 2011 £000	Year Ended 31 July 2010 £000
Amounts Borrowed in Year	<u>(12,000)</u>	<u>-</u>
Net Cash (Outflow) from Financing	<u>(12,000)</u>	<u>-</u>

24. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 August 2010 £000	Cash Flows £000	At 31 July 2011 £000
Cash at Bank and in Hand	32,599	(18,974)	13,625
Debt Due after one Year	<u>-</u>	<u>(12,000)</u>	<u>(12,000)</u>
Net Funds	<u>32,599</u>	<u>(30,974)</u>	<u>1,625</u>

25. PENSION SCHEMES

The University participates in three multi-employer defined benefits schemes. The two principal pension schemes for the majority of the staff are the Strathclyde Pension Fund (SPF) and the Scottish Teachers Superannuation Scheme (STSS).

There are also two academic staff in the Universities Superannuation Scheme (USS).

The total pension cost to the University was (Note 7):

	<u>Year Ended</u> <u>31 July 2011</u> £000	<u>Year Ended</u> <u>31 July 2010</u> £000
SPF Contributions Paid & FRS17 Adjustments	3,513	3,548
STSS Contributions Paid	3,669	3,730
USS Contributions Paid	<u>27</u>	<u>12</u>
Total	<u><u>7,209</u></u>	<u><u>7,290</u></u>

STRATHCLYDE PENSION FUND

Under the definitions set out in FRS17 the Strathclyde Pension Fund (SPF) is a multi employer defined benefit pension scheme. It is valued every three years by professionally qualified independent actuaries using the project unit method. The last triennial valuation undertaken was at 31 March 2011.

In the intervening years the actuary reviews the progress of the scheme and makes assumptions to undertake a valuation at the balance sheet date, under FRS17.

The employer's contribution rate payable on members' pensionable salaries was 18.2% until 31 March 2011 and 19.3% thereafter.

The pension costs for the University for the year ended 31 July 2011 were £3.513m (2010 £3.548m). This is comprised of contributions paid of £3.368m (2010 £3.219m) and FRS17 adjustment of £0.145m (2010 £0.329m).

The accounting standard FRS17 implemented by the university is designed to produce a net pension asset or liability calculated according to a prescribed method of valuation. In particular, the discount rate applied to pension scheme liabilities differs from that used in normal actuarial valuations to determine, inter alia, the scheme's required funding rate, and generally produces a higher value for scheme liabilities.

In the 2010 budget, the UK government announced that it intended that the future increases in public sector pension schemes to be linked to changes in the Consumer Price Index (CPI) rather than, as previously the Retail Price Index (RPI). The Strathclyde Pension Fund moved forward the adoption of the CPI as opposed to the RPI as the inflation measure for the Local Government Pension Scheme (LGPS) from April 2011. The University has considered the Lothian Pension Fund Scheme Rules and associated members' literature and has considered that, as a result, a revised actuarial assumption about the level of inflation indexation should be made, with the resulting gain recognised through the Statement of Total Recognised Gains and Losses (STRGL).

As a result of the adoption of FRS17, the surplus on continuing operations has been decreased by £0.033m (2010 - £1.316m) and the reserves have decreased by £8.292m (2010 £20.953m).

25. PENSION SCHEMES – continued

The assumptions used by the scheme actuary to undertake a valuation under FRS17 as at 31 July 2011 were as follows:

Financial Assumptions	Year Ended 31 July 2011	Year Ended 31 July 2010
	%	%
	CPI	RPI
Pension Increase Rate	2.7	3.4
Salary Increase Rate	5.0	4.9
Expected Return on Assets	6.4	6.6
Discount Rate	5.3	5.4

If the prior year had been valued on a CPI basis the Pension increase rate would have been 2.9% ,as opposed to the 3.4% ,under RPI. All the other financial assumptions would have been the same as stated under RPI above.

Mortality Assumptions

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectancies at age 65 are unchanged from last year and are summarised below. They are based on the PMA92 / PFA92 year of birth tables:

	Male	Female
Current pensioners	20.3 years	23.2 years
Future pensioners	21.7 years	24.6 years

The assets in the SPF scheme and the expected rate of return by category were:

	Year Ended 31 July 2011		Year Ended 31 July 2010	
	<u>Long Term</u> <u>Rate of Return</u> %	<u>Value</u> £000	<u>Long Term</u> <u>Rate of Return</u> %	<u>Value</u> £000
Equities	7.0	69,735	7.2	60,661
Bonds	4.7	11,928	4.8	11,323
Property	5.1	5,505	5.3	5,662
Cash	4.0	<u>4,588</u>	4.4	<u>3,235</u>
		<u>91,756</u>		<u>80,881</u>

The following amounts at 31 July 2011 were measured in accordance with the requirements of FRS17:

Analysis of the Amount Shown in the Balance Sheet	Year Ended 31 July 2011	Year Ended 31 July 2010
	£000	£000
	(CPI)	(RPI)
University's Estimated Asset Share	91,756	80,881
Present Value of University's Scheme Funded Liabilities	(96,460)	(97,511)
Present Value of University's Scheme Unfunded Liabilities	<u>(3,588)</u>	<u>(4,323)</u>
Deficit in Scheme – Net Pension Liability	<u>(8,292)</u>	<u>(20,953)</u>

25. PENSION SCHEMES – continued

	Year Ended 31 July 2011 £000	Year Ended 31 July 2010 £000
Analysis of Amount Charged to Income and Expenditure Account		
Analysis of Amount Charged to Staff Costs:		
Current Service Cost	3,477	3,614
Past Service Cost	192	-
Losses on Curtailments	73	29
Employer Contribution Adjustment	(229)	(95)
	<u>3,513</u>	<u>3,548</u>
Analysis of Amount Credited to Investment Income:		
Interest Cost on Pension Scheme Liabilities	(5,224)	(5,634)
Expected Return on Pension Scheme Assets	<u>5,408</u>	<u>4,647</u>
Net Return / (Charge) - Note 6 and 8	<u>184</u>	<u>(987)</u>

	Year Ended 31 July 2011 £000 (CPI)	Year Ended 31 July 2010 £000 (RPI)
Amounts Recognised in Statement of Total Recognised Gains and Losses (STRGL)		
Actuarial gain on pension schemes liability as a result of valuation on CPI basis	6,151	-
Actuarial Gain	<u>6,286</u>	<u>5,630</u>
	<u>12,437</u>	<u>5,630</u>

The total movement in the deficit in the year is made up as follows:

	Year Ended 31 July 2011 £000	Year Ended 31 July 2010 £000
Deficit in the Scheme at Beginning of Year	(20,953)	(25,506)
Movement in Year:		
Current Service Costs	(3,477)	(3,614)
Employer Contributions	3,545	3,292
Unfunded contributions	237	261
Past service costs	(192)	-
Interest Costs	(5,224)	(5,634)
Net Return on Assets	5,408	4,647
Actuarial Gains	6,286	5,630
Losses on Curtailment	(73)	(29)
Gain due to change in Valuation method from RPI to CPI	<u>6,151</u>	<u>-</u>
Deficit in the Scheme at End of Year	<u>(8,292)</u>	<u>(20,953)</u>

25. PENSION SCHEMES - continued

	Year Ended 31 July 2011 £000	Year Ended 31 July 2010 £000
Analysis of the Movement in the Fair Value of Scheme Assets		
Opening Balance	80,881	67,331
Expected Return on Assets	5,408	4,647
Contributions by Members	1,236	1,238
Contributions by Employer	3,545	3,292
Contributions in Respect of Unfunded Benefits	237	261
Actuarial Gains	3,283	6,844
Unfunded Benefits Paid	(237)	(261)
Benefits Paid	<u>(2,597)</u>	<u>(2,471)</u>
Closing Balance	<u>91,756</u>	<u>80,881</u>
	Year Ended 31 July 2011 £000	Year Ended 31 July 2010 £000
Analysis of the Movement in the Present Value of Scheme Liabilities		
Opening Balance	101,834	92,837
Current Service Cost	3,477	3,614
Interest Cost	5,224	5,634
Contributions by Members	1,236	1,238
Actuarial (Gains) / Losses	(3,003)	1,214
Past Service Costs	192	-
Losses on Curtailments	73	29
Estimated Unfunded Benefits Paid	(237)	(261)
Estimated Benefits Paid	(2,597)	(2,471)
Gain due to change in Valuation method from RPI to CPI	<u>(6,151)</u>	<u>-</u>
Closing Balance	<u>100,048</u>	<u>101,834</u>
Net Pension Liability	<u><u>(8,292)</u></u>	<u><u>(20,953)</u></u>

25. PENSION SCHEMES – continued**History of Experienced Gains and Losses**

	Year Ended 2010/11 £'000	Year Ended 2009/10 £'000	Year Ended 2008/09 £'000	Year Ended 2007/08 £'000
Present value of Defined Benefit Liabilities	(100,048)	(101,834)	(92,837)	(79,327)
Fair value of Scheme Assets	<u>91,756</u>	<u>80,881</u>	<u>67,331</u>	<u>72,987</u>
(Deficit) / Surplus in Scheme	<u>(8,292)</u>	<u>(20,953)</u>	<u>(25,506)</u>	<u>(6,340)</u>
Experience Gains / (Losses) on Scheme Assets Amount	<u>3,283</u>	<u>6,844</u>	<u>(12,996)</u>	<u>(12,437)</u>
Percentage of Scheme Assets %	<u>3.6%</u>	<u>8.5%</u>	<u>(19.3%)</u>	<u>(17.0%)</u>
Experience Gains / (Losses) on Scheme Liabilities Amount	<u>9,154</u>	<u>(377)</u>	<u>(4,916)</u>	<u>69</u>
Percentage of Scheme Liabilities %	<u>9.1%</u>	<u>(0.4%)</u>	<u>(5.3%)</u>	<u>-</u>
Actuarial Gains / (Losses) Recognised in (STRGL)				
Actuarial Gain / (Loss)	<u>12,437</u>	<u>5,630</u>	<u>(18,477)</u>	<u>(7,990)</u>
Cumulative Actuarial Gains / (Losses)	<u>2,754</u>	<u>(9,683)</u>	<u>(15,313)</u>	<u>3,164</u>

SCOTTISH TEACHERS SUPERANNUATION SCHEME

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

The level of contribution paid by employing institutions was 14.9% of members' salaries for the year ended 31 July 2011. The pension costs to the University in respect of STSS for the current year were £3.669m (2010 £3.730m). This is the full and total extent of the University's liability in respect of this scheme.

UNIVERSITIES SUPERANNUATION SCHEME

The institution participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. The institution is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme, as permitted by FRS17. As a result of this, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The latest formal triennial actuarial valuation was carried out in 31 March 2011. The total pension cost for the year ended 31 July 2011 was £27k (2010: £12k). The contribution rate payable by the institution was 16% of pensionable salaries.

26. CAPITAL COMMITMENTS

	<u>Year Ended</u> <u>31 July 2011</u> £000	<u>Year Ended</u> <u>31 July 2010</u> £000
Commitments Contracted at 31 July	<u>16,725</u>	<u>25,854</u>

27. 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's financial regulations and normal procurement procedures.

28. CHILDCARE FUND (CF) AND DISCRETIONARY FUND (DF)

	<u>Year Ended</u> <u>31 July 2011</u> £000		<u>Year Ended</u> <u>31 July 2010</u> £000	
	CF	DF	CF	DF
Funds Brought Forward from previous year	28	(12)	3	(13)
Write off previous year's overspend	-	12	-	-
Funds Received in Year	514	787	368	786
Expenditure	(312)	(851)	(273)	(855)
Virements	<u>(150)</u>	<u>150</u>	<u>(70)</u>	<u>70</u>
Funds Carried Forward as at 31 July	<u>80</u>	<u>86</u>	<u>28</u>	<u>(12)</u>

The Childcare and Discretionary Funds (Formerly Mature Students' Bursary and Hardship Fund), are available solely for students and are provided by Students Award Agency Scotland. The University acts only as paying agents. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

Our key Professional Advisors are:

1. **External Auditors**
Ernst and Young LLP
G1
5 George Square
GLASGOW
G2 1DY
2. **Lawyers**
Anderson Strathern
24 Blythswood Square
GLASGOW
G2 4BG
3. **Project Managers**
Faithful & Gould
Canning Exchange
10 Canning Street
EDINBURGH
EH3 8EG
4. **Bank**
Halifax Bank of Scotland
110 St Vincent Street
GLASGOW
G2 5ER
5. **Bank Loan**
Santander
Corporate Banking
301 St Vincent Street
Glasgow
G2 5NB

A copy of the Report and Financial Statements for this and prior years can be obtained by contacting:

Mary Sweeney
PA to Director of Finance
University of the West of Scotland
PAISLEY
PA1 2BE

Telephone No: 0141 848 3181
e-mail: mary.sweeney@uws.ac.uk

The accounts can also be accessed via our website: www.uws.ac.uk

Campus addresses

Ayr Campus

University Avenue
Ayr
KA8 0SX
Scotland
Tel 01292 886000

Hamilton Campus

Almada Street
Hamilton
ML3 0JB
Scotland
Tel 01698 283100

Dumfries Campus

Dudgeon House
Dumfries
DG1 4ZN
Scotland
Tel 01387 702100

Paisley Campus

Paisley
PA1 2BE
Scotland
Tel 0141 848 3000

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