



Financial Statements

for the year ended 31 July 2017

UNIVERSITY OF THE
WEST of SCOTLAND
UWS



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Introduction from the Principal and Vice-Chancellor



Welcome to this year's Financial Accounts and thank you for taking an interest in the University of the West of Scotland (UWS). The past year has seen the University continue its recent successes with more great achievements linked to students, staff, teaching, research and global engagement. During 2017 the University updated its Corporate Strategy - Dreaming, Believing and Achieving - having made some significant progress towards many of the challenging aspirations and markers of performance agreed with the University Court, to deliver a truly 21st century university.

The philosophy and strategic direction underpinning the truths of the University are supported by the Enabling Plans and Corporate Strategy themes of Student Success; Research and Enterprise; and Global Engagement which are strengthened by a focus on people, sustainability and technology to support learning, pedagogy, research, innovation, qualifications and partnerships.

UWS remains committed to delivering a student centred, research informed curriculum that is designed to have a transformational impact on the lives of those who study or work at UWS. Through leading-edge teaching, the provision of contemporary and inspirational learning environments, with investment in research and innovation in pedagogy, UWS prepares students for a rewarding future.

In this academic year, the University is celebrating 120 years since its foundation, 25 years with a University title and 10 years since becoming the University of the West of Scotland. In early 2017, UWS took possession of a new Coat of Arms with the motto, *Doctrina Prosperitas* – success through learning. The University is now achieving many of the aspirational targets described in the Corporate Strategy which has resulted in UWS now being included in the top 5% of universities worldwide, ranked in the top 200 universities under 50 years of age, named in the top 100 Universities in the Sunday Times Good University Guide, identified as one of top 50 teaching universities in the UK. UWS is also established as a force for good in research, with achievements in STEM, health, culture, education and business. The continued focus on improving retention, enhancing graduate employability, building on research successes, updating and innovating curriculum, embedding technology and diversifying income, remain ever present challenges for UWS.



2017-2018: a year to celebrate



our anniversaries

As part of the intention to deliver 21st century higher education, UWS will take possession of a new £85 million campus in Lanarkshire that will open in September 2018. Through an expanding range of trans-national education partnerships as well as recruitment of international students onto the London and Scottish campuses, UWS is delivering higher education all over the world. Like all universities, UWS has huge ambitions related to teaching, research, global engagement, sustainability and the improvement of our worldwide brand. The UWS truths, including “being here for our students” and “daring to be different”, encapsulate why UWS is unlike many other universities and remains committed to developing a new approach to higher education.

These latest financial statements demonstrate the continued investment and growth that will ensure academic excellence and student success at UWS. Significant investment in new, interactive learning spaces has been made across all campuses, allowing colleagues to create a more inclusive, interactive and collaborative style of learning. It is developments like these that allow UWS to add value to students’ learning, ensuring graduates will be Universal, Work-ready and Successful. However, these are challenging times and universities need to take innovative approaches to partnership, develop new income streams and ensure research activity supports the mission of the university. UWS is committed to ensuring that the curriculum, research, enterprise and outreach activities of the University have a transformational impact on people’s lives, make a positive contribution to the economy and are supportive of the collective intentions of the Scottish Government and the Scottish Funding Council who make an investment in the success of our University system.

A handwritten signature in black ink, reading "C Mahoney". The signature is fluid and cursive, with the first letter 'C' being large and stylized.

Professor Craig Mahoney
Principal and Vice Chancellor

Key Financial Highlights

The results for the year ended 31 July 2017 are summarised below:

	2016/17 £m	2015/16 £m
Income	111.859	107.190
Expenditure before non-cash defined benefit pension	112.946	111.123
Gain on investments	0.338	0.244
Operating (deficit)/surplus	(0.749)	(3.675)
Non-cash defined benefit pension costs	3.392	(4.964)
(Deficit)/surplus for the year	2.643	(8.639)
Cash and cash equivalents	18.895	18.238
Net assets	46.598	43.955
Cash flow from operating activities	8.251	3.980

	2016/17 Number	2015/16 Number
Student FTE	17,496	16,294
Staff FTE	1,407	1,441



UWS Paisley Campus

Strategic Report

UWS Purpose and Corporate Strategy

UWS purpose is to change lives, transform communities and encourage enterprise through outstanding, distinctive and progressive higher education. Our focus is on personalised learning experiences, supported by internationally recognised research. Our graduates will be work-ready and contribute locally and globally.

UWS Purpose

We will achieve our purpose by:

- Providing student-centered learning and teaching experiences underpinned by research, knowledge exchange and enterprise
- Fostering the resilience and learning skills of our students
- Developing a culture where our people are supported to be highly motivated, creative and collaborative
- Making a difference to the communities we serve
- Taking managed, intelligent risks to benefit our student experience
- Being a proudly different university where ambition and success are at the heart of what we do

UWS Truths

At UWS we adhere to a set of truths in all that we do:

- We are here for our students
- Our teaching is our passion, and it reaches to the future
- We understand that a graduate career is important to our students
- We are a knowledge-rich organisation
- We believe in partnership with business (private, public and global)
- We are an international university
- UWS is a great place to work and study
- We are an inclusive organisation that welcomes and values diversity
- UWS is a university that dares to be different

Corporate Strategy 2017/20: Dreaming, Believing, Achieving

The Corporate Strategy, originally launched in 2014 was updated for the period 2017-20. Since the launch of this Strategy, the University has made significant strides towards many of the challenging aspirations and markers of performance UWS set itself. [The Annual Review](#), published each year and available on our website, provides an insight into many of those achievements. In the past three years, significant changes across the world have impacted on economic growth. Universities, known to be a catalyst for recovery from recession, therefore have a huge role to play in enabling the





creation of skills and knowledge for emerging economies. UWS is well placed to innovate through research and enterprise, learning and teaching, global engagement and by using its workforce effectively to change the shape and delivery of higher education.

Enhancements we have completed in pedagogy, improved learning spaces, research achievements, estates development, student retention, student achievement and global reach are all examples of the progress UWS is making. The international higher education landscape is constantly shifting and UWS is playing its part in this exciting, ever-changing and dynamic environment. Opportunities linked to funding, student recruitment, immigration and the UK's position in the new world beyond Europe, will require universities like UWS to be agile and flexible to remain relevant and purposeful and this refreshed Strategy is part of that process.

The refreshed **Corporate Strategy** was created following extensive consultation with staff, students and external stakeholders. It retains the same philosophy and underlying strategic direction but is refocused to take account of new external factors impacting our aspirations.

UWS has aligned the Key Performance Indicators to three clear thematic aspirations: Student Experience and Academic Quality; Research and Enterprise; Global Engagement. These are logically underpinned by a focus on people, sustainability and technology to support learning, pedagogy, research, innovation, qualifications and partnerships.

Governance

The University of the West of Scotland is formed as a “body corporate” under the terms of a statutory instrument. The University's constitutional basis is contained within the University of the West of Scotland (Amendment to the University of Paisley (Scotland) Order of Council 1993) Order of Council 2015. Two key bodies govern the University; the Court and the Senate.

University Court

The Court of the University is the supreme governing body of the University, collectively responsible for overseeing the institution's activities, determining its future direction and fostering an environment in which the institutional mission is achieved and the potential of all learners is maximised. The University's corporate governance arrangements, which recognise the provisions of the Scottish Code of Good HE Governance, are described on pages 22 to 25, and the members of the University Court during the year ended 31 July 2017, who are the charity trustees, are listed on page 25.

It is responsible for the appointment of the Chancellor, the Principal and Vice Chancellor and the Secretary to Court. The majority of Court are lay members and students and staff are represented in the membership. The main responsibilities of Court are set out in its **Statement of Primary Responsibilities**. An analysis of attendance at Court meetings is published on the University's website <http://www.uws.ac.uk/about-uws/governance/court/members/>

Senate

The Senate is responsible for the overall planning, co-ordination, development and supervision of the academic work of the University, the maintenance of academic standards, the Regulatory Framework for academic awards and the promotion of academic development, research and scholarly activity.

External Regulatory Framework

The Scottish Funding Council (SFC) is the principal regulator of higher education institutions (HEIs) in Scotland. It is a Non-Departmental Public Body (NDPB) of the Scottish Government and undertakes its functions under the terms of the Further and Higher Education (Scotland) Act 2005 (the 2005 Act), as amended, including by the Post-16 Education (Scotland) Act 2013. In particular, SFC may make grants, loans or other payments to the governing bodies of institutions for the provision of further education, higher education, research and related activities.

The University of the West of Scotland is also a registered charity in Scotland, with the Office of the Scottish Charity Regulator under number SC002520. The University's principal advisors are listed on page 51.

Principal Officers of the University

Three significant positions are held within the University: the Chancellor, the Chair of Court and the Principal and Vice Chancellor.

Chancellor

The Chancellor is the titular head of the University with the power to confer degrees, diplomas and other academic distinctions. The current Chancellor of the University is the Rt. Hon. Dame Elish Angiolini DBE QC FRSE.

Chair of Court

The Chair of Court has responsibility for the leadership of the Court and plays a key role in relation to other business of the University by ensuring the effectiveness of Court in carrying out its functions. The current Chair of Court is Dr Waiyin Hatton.

Principal and Vice Chancellor

The Principal and Vice Chancellor is the chief academic and administrative officer of the University. The Principal and Vice Chancellor is subject to the general control and direction of the Court. The Principal and Vice Chancellor is the Chairman of Senate and the Designated (Accounting) Officer under the terms of the Scottish Funding Council Financial Memorandum. The responsibility for the day to day running of the University rests with the Principal supported by a University Leadership Team who report to the Vice Chancellor's Executive Group.

Leadership and Management

The Vice Chancellor's Executive Group is responsible for the day-to-day running of the University. Led by the Principal and Vice-Chancellor, the Executive team comprises the Depute Principal and Depute Vice Chancellor, four Vice Principal and Pro Vice Chancellors, the Chief Operating Officer, the Chief Financial Officer and the Secretary to Court & Director of Corporate Support. Each member of the Executive has clearly defined, functional roles contributing to strategic policy and decision making relating to all areas of the University. Teaching and Research are grouped into Academic Schools and are supported by a number of Professional Support Departments. The Schools are the cornerstones of academic life at the University, offering high quality programmes, professional training courses, research opportunities and consultancy services. The Schools also host the research excellence of individuals and groups to consolidate the University's success in attracting major grants, further develop collaborations across the University and with partners within and outside Scotland, and work with end-users in the public and private sectors.

Schools

- **School of Business & Enterprise**
- **School of Education**
- **School of Health, Nursing & Midwifery**
- **School of Media, Culture & Society**
- **School of Engineering & Computing**
- **School of Science & Sport**

Operational Review

2016/17 Highlights

The University continues to make progress towards its strategic objectives, with many of its achievements recognised through national and international forums. Highlights include:

- **Student Success and Academic Quality:** The Complete University Guide recognised UWS as the most improved in Scotland and the eighth most improved university in the UK. This reflects a number of factors, including improved scores for student satisfaction, graduate prospects, academic facilities spend and good honour level degrees. It also saw UWS being ranked fourth in the UK Education subject table and our scores improved or stayed the same in 17 of the 25 subject tables in which we featured. These improvements were also recognised as UWS broke into the top 100 of the Times and Sunday Times Good University Guide for the first time during the year.
- **Teaching Excellence:** The Times and Sunday Times Good University Guide also ranked UWS in the top three Scottish universities for teaching excellence. Our strong ranking in this area is particularly pleasing and is testament to our strong commitment to providing student-centred, personalised and distinctive learning and teaching experiences, underpinned by professionally relevant research, knowledge exchange and enterprise.
- **Student Recognition:** Our students continue to be individually recognised for their academic and sporting achievements, and for their contribution to society. One noteworthy example is Franklin-Jacob Babu, named runner-up in the 'Student of the Year' category in the National Union of Students International Students Awards 2017. Franklin, who studies BSc Applied Bioscience with Forensic Investigation, was recognised for the important contribution made to the experience of international students across UWS, having been a student representative on the UWS International Advisory Committee since 2015.
- **Innovation:** UWS is delighted to be working with the national skills development agency, Skills Development Scotland, to offer graduate level apprenticeships providing a new ways for individuals to gain the skills and qualifications required by employers. UWS is proud to be a leader in career-focused learning, with an enviable track record of working with industry since we were formed in 1897.
- **Student Support:** The University is also delighted to have been awarded Student Support Team of the Year at the Herald Higher Education Awards in Glasgow in June 2017. This award recognises the innovative, positive and proactive approach, working alongside academic staff and student bodies, which has been adopted to ensure that students have access to the support services needed to enable them to meet their academic and personal potential.
- **International Standing:** UWS is celebrating its second year in the Times Higher Education's (THE) World University Rankings, with a climb to the overall category of 501-600 out of the 1100+ institutions assessed by THE, and placing us in the top 3% of universities worldwide. In 2016 we were ranked 601-800 out of 980 institutions. The same rankings see UWS recognised in joint 60th place out of 93 UK institutions, building on last year's joint 64th position out of 91 UK institutions.
- **Research Excellence:** UWS researchers continue to be recognised for their award winning research and for the benefits that this brings to society.
 - Research into nano-kicking, a breakthrough approach that can grow new bone from stem cells, conducted in collaboration with the University of Glasgow, was awarded Research Project of the Year at the Herald Higher Education Awards.
 - Dr David Hughes, a member of the UWS Institute of Thin Films, Sensors and Imaging, recently won the prestigious Converge Challenge 2017 for his project, Novosound, a technology which will allow expectant parents to see their unborn child with the image quality of MRI. This low-cost high-resolution imaging has a broad range of applications in medical, dental, industrial and veterinary markets. Converge Challenge is Scotland's leading company creation competition and entrepreneurial development programme for staff, students and recent graduates of Scottish universities and research institutes.

- The University's School of Science and Sport has been awarded over £1.2m as part of a £5.7m Interreg EU project with partner institutions in Dundalk Institute of Technology and Queens University. The project will harness complementary resources and expertise with a mission to tackle Chronic Obstructive Pulmonary Disease (COPD), an incurable lung disease, highly prevalent in the border regions of Ireland and Western Scotland.
- **Social Impact:** UWS was placed 15th out of 125 Universities by the Economist "British University Ranking", which is based on the measured difference between projected earnings and actual earnings, recognising the social and economic diversity within individual University student populations. This is another strong indicator of the 'value added' education that UWS delivers to its students.



Paisley County Square gardens

Student success and academic quality

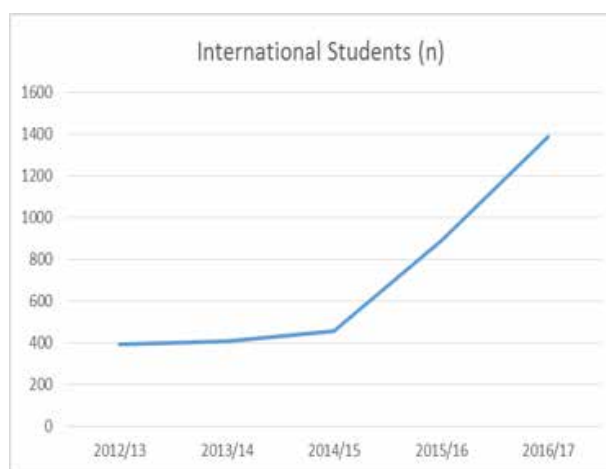
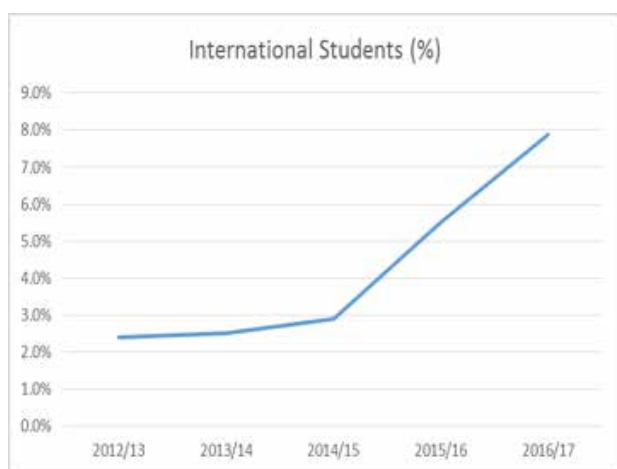
In 2016/17 UWS continued to successfully grow its student population, with total student numbers increasing to 17,496 up 1,202 (7.4%). This was primarily through growth in non-SFC funded student populations.

Total student population	2016/17	2015/16
Undergraduate and Lifelong Learning	13,780	13,398
Postgraduate	3,716	2,896
Total	17,496	16,294

Overall, the population of SFC funded undergraduate and postgraduate students remained stable with the University successfully meeting target student populations. In doing so, UWS continued to be one of Scotland's leading contributors to delivery of the Government's widening access priorities. Over a fifth (20.9%) of under 21's, full-time Scottish-domiciled undergraduate entrants to UWS come from SIMD20 areas, which is more than double the Scottish average (10.4%). UWS also has the highest proportion of Scottish-domiciled undergraduate entrants to UWS from SIMD40 areas, at 40.0 %.

The University continues to be one of the largest providers of Nurse and Midwifery Education, with some 2,000 students enrolled on pre-registration programmes in Adult Nursing, Mental Health Nursing and Midwifery. Data published in March 2017 showed UWS completion rates, in terms of students projected to receive an award increased from 81.8% to 82.2%.

The University's London Campus continued its successful launch with significant growth in the population growing from 423 students to 1,043 over the period, which in the context of the challenges of international recruitment across the sector, is a clear indication of UWS's continued success in this area. The tables below shows the overall position of international students in all campuses in the UK, with 1,388 students, 55% up on last year which now represents 7.9% of the total student population.



The ongoing success in student recruitment both in home and international arenas will continue to receive significant management time and be a strong focus both for the Vice Chancellor's Executive Group and the University's Leadership Team, with regular reporting through these groups any potential deviation will be seen in a timely manner and which allows decisions to be taken to make any necessary adjustments in year.

Estates Developments

2016/17 has seen the new Lanarkshire campus development progressing at full speed. Preparations are being made for occupation of the new campus in spring 2018, prior to the transfer of academic delivery from the current Hamilton Campus to the new campus for the start of the 2018/19 academic year. This transformational project will deliver a fully customised 21st Century learning environment that will make a hugely significant contribution to the Scottish Higher Education landscape. It secures Higher Education in Lanarkshire and will enable UWS to enhance the learning journey for students in a high quality, higher education environment. The new development continues with a firm commitment to delivering a sustainable campus. The development is categorised as BREEAM 'Excellent', is Carbon Neutral and draws on renewably sourced energy and will be fundamental in repositioning UWS both nationally and internationally. Its eco credentials will play a major role in replacing the aging, obsolete and carbon inefficient campus in Hamilton.

In parallel with this development, the University has committed over £2.5 million to 16 capital maintenance projects to improve the environments and infrastructure resilience on our Paisley and Ayr Campuses.



Artist's impression, new UWS Lanarkshire Campus



Environment and Sustainable Development

The University's Sustainability ambition is for action on Sustainable Development to be embedded across teaching, research, the UWS Estate and student life. Our approach in 2016/17 was Sustainability in Partnership, working with our community partners to create maximum benefit to UWS staff, students and the wider community. Actions in respect of the development of Estates are described in the preceding section.

UWS was the setting for the UK launch of the new report to the sustainability-focused, global think tank, The Club of Rome, at an event in November 2016. The event saw report author, and Secretary General of the club, Graeme Maxton address the key themes in the report, Reinventing Prosperity: Managing economic growth to reduce unemployment, inequality and climate control. The event was hosted by the Partnership Forum of the ground-breaking UWS-Oxfam Partnership which works for 'a more equitable and sustainable Scotland'

Other initiatives included the development of our partnership with the Student Association of the University of the West of Scotland in the delivery of engagement and practical activity to reduce carbon. The Scottish Government Climate Challenge funded project, will be launched during student induction in September 2017. The project includes a new Sustainability Hub at Ayr campus; Circular Economy activity facilitating the sharing of resources through a tool hire store; and community outreach activity linking student volunteering activity with partners working with disadvantaged groups. This approach is multifaceted producing carbon, educational, social, financial and health benefits.

We have worked in close partnership with colleagues in Cycling Scotland, Transport Scotland and local Community Planning Partnerships to improve Sustainable travel infrastructure at UWS in 2017. This resulted in securing grant funding to increase our electric vehicle fleet, increase cycle parking and employ a fixed term Cycling Intern, providing additional capacity to achieve Cycle Friendly Campus with Distinction status for Paisley campus.

The expansion of the National Union of Students Green Impact programme at UWS, resulted in 14 staff teams participating this year, with a reach of over 1000 colleagues. This brought about over 200 Sustainability actions and provided 23 students with Institute of Environmental Management accredited training and environmental auditing experience.



Equality and Diversity

The University's **Equality and Mainstreaming Report** outlines some of our key successes and more importantly sets ambitious challenges for the future. These challenges will require innovation, confidence and commitment. This report identifies areas where we can develop and enhance our work further. We have achieved recognition in our work with widening participation, developing family friendly policies and ensuring that we have a safe campus for staff and students. We strive to ensure that all protected characteristics are supported at the University.

The Equality and Mainstreaming Report sets out the measures, activities and successes at UWS in our commitment to embedded equality and diversity across all Schools, Departments and in the ways we conduct business at UWS. We understand that a focus on this area as an institutional priority not only makes good business sense, but has a positive impact on the communities that we serve as we continue to develop our UWS brand both in the local context, nationally and internationally across the globe.

This report outlines our commitment to delivering an inclusive organisation that supports its staff and students. In advancing our commitment we will publish an action plan which will be overseen by our Equality, Diversity and Inclusivity Committee. UWS welcomes this opportunity to make a difference in how we delivery equality and diversity in Scotland.

UWS is widely recognised as one of Scotland's leading institutions in widening participation in Higher Education. In 2015/16, 27% of Scottish-domiciled undergraduate entrants to UWS (1,297 students) were from the 20% most deprived postcodes, and 48.4% (2,322 students) were from the 40% most deprived postcodes (the number and proportion of Scottish domiciled undergraduate entrants from the 20% and 40% most deprived postcodes).

UWS is the number one University for accepting students from Further Education Colleges. UWS signed up to the Listen campaign, aimed at tackling discrimination for young people leaving the care system, this has resulted in a 43% rise in applications and 500% increase in enrolments since 2008. UWS is a Stonewall diversity champion, committing to LGBT+ friendly practices.

The gender balance of lay governors on Court as at 30 June 2017 was 62% female, 38% male. The gender balance of total Court membership as at 30 June 2017 was 52% female, 48% male.



Disability

The University is recognised as a Disability Confident Employer whereby UWS will interview all applicants with a disability who meet the essential criteria of advertised vacancies. UWS is committed to ensuring there is a mechanism in place to discuss at any time, but at least once a year, with disabled employees what can be done to ensure that they develop and use their abilities. The University also makes every effort when an employee becomes disabled to ensure that they remain in employment and the University takes action to ensure that all employees develop an appropriate level of disability awareness to make these commitments work.

Being a Disability Confident Employer demonstrates to prospective applicants and existing employees that UWS is committed to the employment of disabled people whether this is at the start of employment or later on in their career.



Financial Review

Overview

The University has had a stable financial year, following on from the realignment of the staff base at the end of the last financial year. Operationally, an underlying surplus of £2.7m was generated before the application of adjustments required under Financial Reporting Standard (FRS102). The impact of these adjustments is to move this surplus into a deficit position. This is shown in the statement of comprehensive income as a deficit for the year of £0.7m (0.6%) down from a £3.7m (3.5%) deficit in 2016. The FRS102 movements include a non-cash charge of £4.3m in respect of the accounting for the Strathclyde Pension Fund current service costs and net interest charge of £3.0m and £1.3m respectively, and the income recognition of £0.6m resulting from the settlement of an insurance claim in the year. The Total Comprehensive Income for the year reports an overall surplus of £2.6m compared to the £8.6m deficit reported last year, this predominately as a result of movement in the actuarial valuation of the Strathclyde Pension Fund, with a £3.4m gain compared to a £5.0m loss last year. The operating results are summarised in the table below:

	£'m
Underlying operating surplus	2.7
Insurance settlement	0.6
Gain on investments	0.3
Pension charge to I&E	(4.3)
Deficit for year	(0.7)

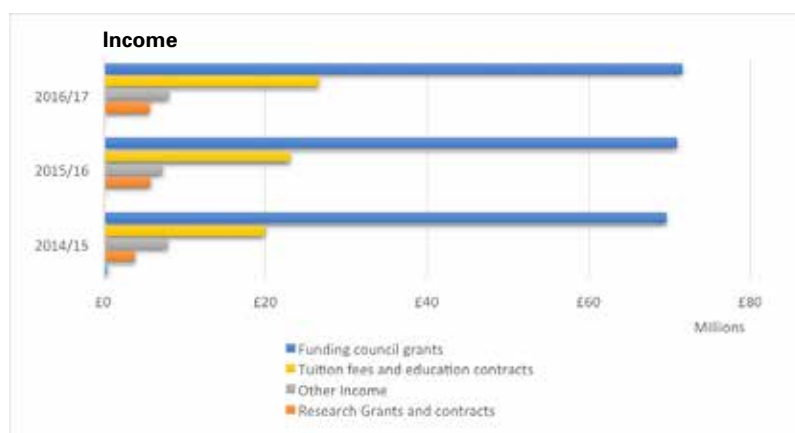
It is pleasing to report that income continues to grow, reported at £111.9m up 4.3%, whilst expenditure at £112.9m grew by 1.6%. The University continues to thrive despite challenging times and the volatility of International student markets for the whole of the Higher Education sector, with significant growth in income from the activities of University's campus in London. The underlying financial performance in 2016/17 reflects our continued investment to ensure our academic excellence and student success especially UWS inclusive and research informed style of learning. The 2016/17 financial results includes an investment of £6.9m of capital expenditure and has increased its cash balance to £18.9m. All of which contributes to the University's financial plan to ensure it has sufficient cash reserves to support its major estates development of a new campus in Lanarkshire opening in September 2018 and the ongoing delivery of the UWS Corporate Strategy 2020.

Income

Income grew by £4.7m (4.3%) to £111.9m (2016: £107.2m). Total income comprises funding council grants, tuition fees and education contracts, research grants, other income, investment income.

2014-15	2015-16	2016-17
£m	£m	£m
101.7	107.2	111.9
% growth	5.4%	4.3%

Over the last three years total income has increased at a steady rate of between 4% and 5%. The distribution of income over the past three financial years under FRS 102 is as follows:



The University's main source of income is from teaching activities. Scottish Funding Council (SFC) grants recognised in the financial statements reflect the allocations announced in the SFC funding outcome agreements for Universities. In 2016/17 funding council grants of £71.6m were received which represents 64.0% of the University's total income, which includes an extra one-off capital maintenance allocation of £1.5m received in the year.

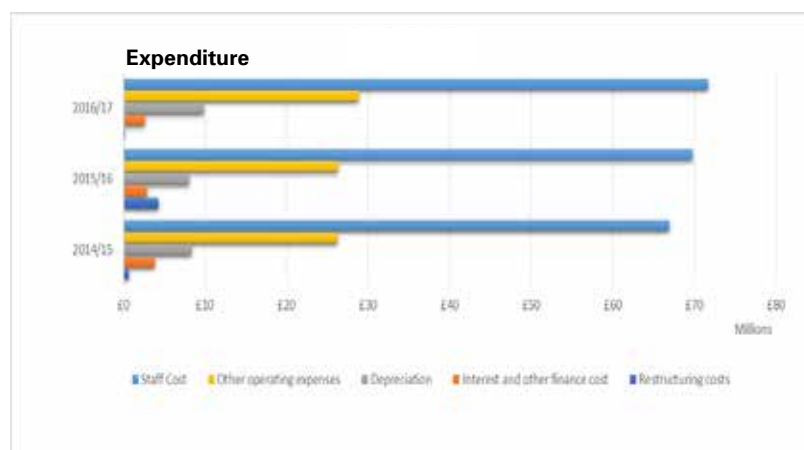
Tuition fee and education contract income increased by 15.2% from £23.7m to £27.3m at 31 July 2016. Home & EU fee income decreased by £0.3m reflecting a slight reduction of SFC funded numbers. The income from Non EU tuition fees increased from £4.5m to £7.1m (57%) from the significant recruitment activity into the London campus and our students from the rest of the UK (RUK) grew to £1.4m (2016: £0.8m). Transnational Education (TNE) contracts and Education Contracts remained steady in 2017 with levels at £0.2m almost unchanged from £0.2m in 2016.

Research and contract income has increased slightly this year to £4.2m from £4.1m and other income increased in 2016-17 by 4.9% to £8.5m from £8.1m in 2016 due to increased activity across a range of initiatives. UWS has developed a clear set of metrics on application and awards to measure and monitor the improvements across this important strategic activity. These are reviewed at each meeting of the Research and Enterprise Advisory Committee.

Expenditure

Overall University expenditure has increased by £1.8m (1.6%) to £112.9m (2016: £111.1m). Expenditure comprises staffing, restructuring, other operating costs, the depreciation of fixed assets and interest and finance costs and is split as follows over the past 3 financial years:

Staff costs for the financial year were £71.6m (2016: £69.7m) an increase of 2.7% against an average employee base of 1,407 (2016: 1,441). The reduction in headcount reflects the transformation and restructuring which occurred in 2015/16. The overall increase in staff costs reflects legislative increases to employer pension contributions, government changes to National Insurance contributions for the apprenticeship levy, and annual pay and increment awards. In addition, pensions for the year includes the Strathclyde Pension Fund current service costs of £7.3m (2016: £6.1m).



Staff costs are the largest element of expenditure for the University and an important resource to ensure the University can provide the right balance between excellent teaching, research and professional support. In the year it represented an expenditure of 64.1% of Income, down from 65% in 2016, and 63.4% of expenditure down from 68% in 2016. Staff voluntary severance costs in the financial year were £0.2m (2016:£4.3m). The University will continue to manage the cost base and reposition resource allocations to meet the requirements of the University's future sustainability plans while still delivering the aims of the Corporate Strategy 2020.

Balance Sheet

The University has total net assets of £46.6m as at 31 July 2017 (2016: £44.0m). The increase in net assets is directly related to the movement in the year of creditors over one year, which includes the repayment of loan principal in the year of £0.8m and the reduction in the deferred capital grant liability of £1.9m. The University share of the accounting liability in the Strathclyde Pension Scheme changed by £0.6m (2016: £8.4m) to £51.6m (2016: £50.0m) in the year, this is the least volatile movement in the pension liability for a number of years.

Treasury

Cash at bank and deposits invested at 31 July 2017 was £18.9m (2016: £18.2m). All treasury decisions are taken within the framework of the University's Treasury Management Policy. The underlying principle is that the University operates a low-risk approach in managing its investments and liquidity. All funds are placed with bodies agreed by the University and monitored against minimum credit rating criteria and return on performance. During the year the University issued an Ethical Investment Policy, in which the University recognises its responsibility to operate in an ethical manner and to take account of social, environmental and ethical considerations in all activities including financial investment. At the 31 July 2017, the University had net liquidity days of 66 (2016: 67) and a liquidity ratio of 1.2 (2016: 1.1).

Capital Investments

During 2016/17, £6.9m was spent on capital, predominately in Lanarkshire and the ongoing capital maintenance of the estate and infrastructure, totalling £2.8m and £1.7m respectively. A further £2.4m was spent on information technology and equipment, to improve the IT environment in student and teaching spaces through an ongoing rolling programme to refresh and replace IT kit in classrooms and learning laboratories.

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 endeavors to include and abide by specific payment terms. At 31 July 2017 the University's outstanding trade payables represented approximately 29 day's purchases. The amount of interest paid in the year under the Late Payment of Commercial Debts (Interest) Act 1998 was nil.

Pensions

The University participates in three separate defined benefit pension schemes, which are the Strathclyde Pension Fund (SPF) for non-academic staff, the Scottish Teachers Superannuation Scheme (STSS) for academic staff and the Universities Superannuation Scheme (USS) for academic and academic related staff.

The University accounts for the SPF in accordance with the requirements of FRS 102. Within total net assets is the pension liability in relation to the University's share of assets and liabilities in the SPF. In 2016/17 the liability has increased from £51.0m to £51.6m. This is the lowest increase in overall liability in recent years due in part to the strong asset returns recorded in the year.

The University continues to take the exemption permitted under FRS 102 to disclose the STSS Scheme as defined contribution schemes as this scheme is not able to calculate individual employers' share of the overall deficit. A liability is recognised within Provisions for the UWS share of the obligation to fund past deficits within the USS scheme.

Financial Approach

The fundamental aim of the financial approach within UWS is to ensure the University's long term financial sustainability. The Approach ensures financial resources are directed towards priorities, that risks are effectively managed, that value for money is achieved and that UWS is and remains a financially sound and robust University. Aligned with the key Enabling Plans, this financial approach will enable the University to achieve the aims of the Corporate Strategy 2020.

The key performance indicators (KPI) included in the Corporate Strategy 2020 inform the financial forecast of the University. Our progress and achievements in delivering the KPI's has a direct influence on the financial performance of the University which is measured through regular monitoring and review of the key financial metrics of the University relating to staffing to income, surplus generation, cash flow, borrowings, income sources and cost control.

Financial Outlook

UWS is financially sustainable but takes full cognisance of the future challenges that lie ahead for the Higher Education sector in Scotland and beyond.

The University is committed to maintaining its growth in income over future years, these have been developed to reflect the ambitions of the Corporate Strategy 2020, but the targets are believed to be both realistic and achievable. However, UWS is not complacent, but is working hard on diversifying its income in order to mitigate the impact of any potential reduction in its key funding streams. UWS is clearly able to demonstrate its ability to grow income from new sources. This, combined with a strong financial reporting framework will underpin the University's long term financial sustainability.

Risk Management

The University takes a systematic approach to risk management at Corporate, School, Department and Project levels. Underpinning this is a risk management framework embedded throughout the University which incorporates an institutional risk policy and guidance, as well as a system for recording, reviewing and escalating risks. The approach to documenting risk information has been refreshed this year with the introduction of a new online system and an increase in the frequency of reviews.

High level risks to the University achieving the refreshed Corporate Strategy are documented on the Corporate Risk Register, with each risk assigned an Executive owner. These risks are reviewed quarterly with the Corporate Risk Register submitted periodically to the Audit and Risk Committee and Court.

School, Departmental and Project risks are owned locally and reviewed by the University Risk Group on a quarterly basis with the most significant being reported as appropriate to the Vice Chancellor Executive Group, Audit and Risk Committee, and ultimately Court.

The University is currently managing high level risks relating to:

- Ensuring sufficient numbers of domestic, RUK, EU and non EU students are attracted to UWS despite the challenging environment and uncertainty around the wider implications on funding streams to the UK on leaving the EU.
- Maintaining financial sustainability to ensure the University is capable of providing the necessary investment to underpin aspirations, while working to diversify income to reduce the proportion of SFC funding to total income.
- Delivering the new, state of the art Lanarkshire Campus on time and within budget in order to provide cutting edge learning and teaching facilities.



Corporate Governance Statement

Introduction

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

This Statement describes the manner in which the Court has applied the principles set out in the Scottish Code of Good Higher Education Governance which the Court has adopted as an integral part of Court's Policies and Procedures as set out in the Court Handbook and follows the format directed by the Scottish Funding Council's Accounts Direction in June 2017 and the SFC Financial Memorandum. Its purpose is to help the reader of the financial statements understand how these principles have been applied.

The University's Governance Arrangements

The functions and powers of the University Court are set out in the University of the West of Scotland (Amendment to the University of Paisley (Scotland) Order of Council 1993) Order of Council 2015. The Court is the governing body of the University and collectively determines the future direction of the University and fosters an environment in which the institution's mission is achieved and learners succeed.

In accordance with the Scottish Code of Good Higher Education Governance (the code), Court has a Statement of Primary Responsibilities and a Scheme of Delegation outlining which matters are reserved to be considered by the Court and which can be formally delegated by the Court to its Committees. The Statement of Primary Responsibilities is shown in full on page 24. This is one of the key documents in relation to which the effectiveness of Court is measured. The Statement of Primary Responsibilities is subsidiary to the University of the West of Scotland (Amendment to the University of Paisley Order of Council 1993) Order of Council 2015.

Court met four times in 2016/2017. Court also held a workshop to inform the development of the refreshed Corporate Strategy 2017/2020 and a strategic residential event.

The Chair of Court is responsible for the leadership of the governing body and is ultimately responsible for its effectiveness. The Chair's responsibilities are set out in section 2.4 of the Court Handbook and in the role description, which are published on the University website.

In line with good practice, and an expectation of the Scottish Code, Court keeps its effectiveness under review through various measures. Building on the outcome of the effectiveness review undertaken in the 2015/2016 academic year, a further self-evaluation by members, of the effectiveness of the Court, was undertaken in September 2016. A range of enhancements to processes were identified and implemented during the year. These included improvements to Court visibility on people issues, engagement and scrutiny of capital developments; further information on the range of academic and research activity and enhancements to Court member induction arrangements.

Although the University Court is ultimately responsible for the conduct of the University, much of the detailed work is delegated to Court's standing committees. There are six committees, each of which has formally constituted terms of reference. These Committees are a Policy and Resources Committee; Audit and Risk Committee; Remuneration Committee; Governance and Nominations Committee; Health, Safety and Sustainability Committee and Honorary Awards Committee.

The **Policy and Resources Committee** met four times in 2016/2017. The Policy and Resources Committee oversees the strategic policy, people and financial responsibilities of Court, makes recommendations to Court on the University's annual review and capital budgets and monitors performance in relation to approved budgets. It ensures compliance with the SFC Financial Memorandum and maintains an oversight of student numbers and people resource monitoring.

As part of its responsibility for the financial oversight of the University, the Committee reviews the annual financial statements, in conjunction with the Audit & Risk Committee and recommends these to Court for approval.

The **Audit and Risk Committee** met six times in 2016/2017. The Audit and Risk Committee oversees the arrangements for, and reports from the internal and external auditors and assesses their effectiveness. The University's external and internal auditors are in attendance at the meetings as appropriate. The 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 and receives regular reports on strategic risk management.

Whilst senior officers attend meetings of the Audit and Risk 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. An informal meeting of members of the Committee and the External Auditors is held annually at the conclusion of the October meeting.

The **Remuneration Committee** met once in 2016/2017. The Remuneration Committee has delegated responsibility from Court for approving the remuneration of the Principal and Vice- Chancellor and all members of the Vice-Chancellor's Executive Group. Details of the remuneration of higher-paid staff are set out in Note 7 to the financial statements.

The work of the Remuneration Committee is governed by a clear remuneration framework, approved annually by Court and is informed by benchmarking data and comparator information on salaries and other benefits and conditions of service in the HE sector.

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

The **Governance and Nominations Committee** met twice in 2016/2017. The Governance & Nominations Committee has responsibility for maintaining oversight of corporate governance arrangements and considers nominations for vacancies in the Court membership having regard to the balance of skills, experience and attributes required.

Court has a robust process for appointing governors, which is based on the principles of transparency and flexibility. The process encompasses a wide range of methods to allow the Governance and Nominations Committee the flexibility to employ whichever recruitment methods are most appropriate to the circumstances, including the skills being targeted and increasing diversity in the membership of Court.

To help the University's commitment to promoting equality and valuing diversity, and in line with the recommendations in the Scottish Code of Good HE Governance, all governor applicants are asked to complete and return an equality and diversity monitoring form.

The Governance and Nominations Committee keeps the balance of diversity, skills and experience under review and maintains a skills matrix. The Committee reviews the skills matrix at least annually to identify any gaps and to ensure that the breadth and depth of skills and experience, which Court requires to discharge its responsibilities effectively, continues to be reflected in its membership.

Attendance of Court members is reviewed annually by the Governance and Nominations Committee.

The **Health, Safety and Sustainability Committee** met three times in 2016/2017. The Health, Safety and Sustainability Committee advises the Court on all matters relating to health and safety and environmental management within the University and promotes an evolving and proactive culture in health and safety and sustainability and environmental management throughout the University.

The **Honorary Awards Committee** met twice in 2016/2017. The Honorary Awards Committee considers nominations for potential recipients of honorary awards from the University against an agreed criteria for these awards.

The Chair of Court meets with the Chairs of the standing Committees in advance of each meeting of Court which allows the Chairs to raise any issues about the conduct of their committees' business. There is a Vice Chair of Court and an independent intermediary member who is a point of contact for governors in the event that a Court member wishes to raise an issue regarding the Chair of Court.

Court has agreed procedures for the annual appraisal of the Chair of Court. The appraisal of the Chair of Court was conducted in autumn 2016 and reported to Court at its February meeting.

The Chair of Court is responsible for ensuring that the University has due regard to the interests of all stakeholders in carrying out its business. The University has developed various initiatives to ensure it is well-connected with its stakeholders and continues to develop these.

Court delegates the co-ordination, development and supervision of the academic work of the University to Senate provided that those functions are carried out subject to the general control and direction of Court. Senate met four times in 2016/2017. An invitation is extended to members of Court to attend Senate meetings.

The University has a duty under the Equality Act 2010 to publish a Public Sector Equality Duty Report describing its progress on mainstreaming equality and delivery equality outcomes. In 2016/2017 Court approved and published the University's first biennial report under this duty.

The UK Modern Slavery Act requires commercial organisations with a turnover of over £36m to publish a statement detailing what actions they are taking to combat any risks of modern slavery in their own operations and supply chains. The UWS Modern Slavery Act Transparency Statement is published on the University website.

The Secretary to Court meets regularly with the Chair of Court as part of the process governing the conduct of Court's business to ensure that this is carried out in accordance with the Standing Orders, are properly clerked and that minutes are produced timeously. Court minutes are published on the University website.

Statement of the Primary Responsibilities of Court

The University Court is the governing body of the University, established by the University of the West of Scotland (Amendment to the University of Paisley Order of Council 1993) Order of Council 2015. The Court collectively determines the future direction of the University, monitors performance and aims to foster an environment in which the institution's strategic aims are achieved and students succeed.

The Court has wide ranging powers, in particular relating to the strategic direction of the University and the execution of the University's financial responsibilities. The Court has delegated powers related to purely academic matters to the Senate.

In executing its powers Court has a particular duty to observe the highest standards of corporate governance and Court members commit to conducting themselves in accordance with the accepted standards of behaviour in public life.

The membership of Court comprises a majority of lay members with ex-officio and elected staff and student members. The University of the West of Scotland is a registered Scottish Charity (SC002520) and therefore Court members are also Charitable Trustees.

- To approve the mission and strategic vision of the University, long-term business plans, key performance indicators (KPIs) and annual budgets, and to ensure that these have due regard to the interests of stakeholders.
- To appoint the Principal as Chief Executive Officer of the University and put in place suitable arrangements for monitoring his/her performance. Both the appointment and the monitoring of performance of the Principal shall include consultation with all members of Court.
- To ensure the quality of Institutional educational provision.
- To ensure adherence to the funding requirements specified by the Scottish Funding Council in its Financial Memorandum and other funding documents.
- To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, clear procedures for handling internal grievances and "whistleblowing" complaints, and for managing conflicts of interest.
- To monitor institutional performance against plans and approved KPIs which, where possible and appropriate, should be benchmarked against other comparable institutions.

The Court is responsible for preparing the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Court determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Court ensures that:

- Suitable accounting policies are selected and applied consistently;
- Judgements and estimates are made that are reasonable;
- 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.

Court Membership

The following were members of Court for all or part of the year ended 31st July 2017 or the period between the year end and the date of approval of these financial statements.

Court Member	Date of Appointment	Date of Retirement	Category of Membership
Ms H Armstrong			Student
Ms L Barjonas			Lay
Mr J Black		30/06/17	Student
Ms E Connolly		30/09/17	Lay
Mrs M Curran			Lay
Mr C Devlin			Lay
Mr R J Dinning			Lay
Mr T Duff		31/12/16	Elected by Academic Staff
Ms M Gibson OBE			Lay
Ms A Gifford			Senate
Mr A Gordon			Lay
Mr A Haseeb		31/01/17	Lay
Dr W Hatton			Lay (Chair)
Mr H Henry	01/12/16		Lay
Mr D Johnston			Elected by All Other Staff
Professor C Mahoney			Principal & Vice-Chancellor
Professor P Martin CBE			Depute Principal
Mr A Muir		31/01/17	Lay
Mr A Munro	01/09/17		Lay
Professor C MacDonald			Lay (Vice Chair)
Mr J McDougall		30/08/16	Lay
Professor A McGillivray		30/09/16	Senate
Ms A McKechin			Lay
Ms T O'Donnell	01/12/16		Lay
Mr K Quinlan	01/09/17		Lay
Ms E Shotter	01/07/17		Student
Dr K Sloman	01/04/17		Elected by Academic Staff
Mr W Smith			Lay
Dr J Thompson	07/11/16		Senate

Strategic Direction

A dynamic and comprehensive strategic planning process underpins the development of the University's Corporate Strategy and subsequent monitoring of progress towards delivery of the agreed Key Performance Indicators. The University's Court is involved in that process – from early inception, through development to final approval. The process involves workshops, presentations and digital engagement and extends beyond Court to include the Vice Chancellor's Executive, colleagues, students and key external stakeholders.

The Vice Chancellor's Executive and the Court receive regular reports on progress towards delivery of the Strategy's Key Performance Indicators against an agreed reporting schedule. The associated financial plan is also reviewed within that reporting schedule.

Risk Management and Internal Control

The University's Court is the principal strategic, financial and business authority of the University. It ensures proper accounts are kept, approves the strategic vision and corporate strategy, the annual budget and financial statements and has overall responsibility for the University's resources, assets, property and estate. The Court ensures adherence with the Scottish Funding Council's Financial Memorandum and oversees the delivery of the Outcome Agreement with the Scottish Funding Council.

The University Court is responsible for the University's system of internal controls and for reviewing its effectiveness. The 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 Vice-Chancellor's Executive Group and the Audit and Risk Committee also receive regular reports from the internal auditors, which include recommendations for improvement. The Audit and Risk Committee's role in this area is focused on a high-level review of the arrangements for internal control. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

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 Corporate Strategy Targets. The Court approves and monitors the key performance indicators and holds the Principal accountable for the effective management of the University. The Audit and Risk Committee maintains an overview of the institutional risk management policy and reports to Court accordingly.

At its November 2017 meeting, the Court carried out the annual assessment for the year ended 31 July 2017 by considering a report from the Audit and Risk 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 2017.

The Court is of the view, that there is an on-going process for identifying, evaluating and managing the University's significant risks, which has been in place for the year ended 31 July 2017 and up to the date of approval of the Financial Statements. This process is regularly reviewed by the Court.

Going Concern

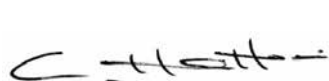
The Court considers that the University has adequate resources to continue in operational existence as a going concern for the foreseeable future.

Conclusion

In conclusion, the Court of UWS considers that appropriate and robust governance arrangements are in place to fulfil its responsibilities.

Statement of Full Compliance

In the opinion of the Court, the University complies with the provisions of the 2013 Scottish Code of Good Higher Education Governance and it has complied throughout the year ended 31st July 2017.



Waiyin Hatton
Chair of Court



Professor Craig Mahoney
Principal and Vice-Chancellor

Independent Auditor's Report to the Court of the University of the West of Scotland

Opinion

We have audited the financial statements of the University of the West of Scotland ("the University") for the year ended 31 July 2017 which comprise the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the University's affairs, and of its income and expenditure, recognised gains and losses, and statement of cash flow for the year
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended)

This report is made solely to the Court of the University of the West of Scotland ("the Court"), as a body, in accordance with Section 44(1) (c) of the Charities and Trustee (Scotland) Investment Act 2005 and regulations made under that Act. Our audit work has been undertaken so that we might state to the 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 Court, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Court in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the Court's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the Court has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the University's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

- The Court is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by Scottish Funding Council's Financial Memorandum with the University

In our opinion, in all material respects;

- funds administered by the University for specific purposes have been applied properly to those purposes and managed in accordance with relevant legislation, and any other terms and conditions attached to them.
- funds provided by Scottish Funding Council have been applied in accordance with the requirements of the SFC Financial Memorandum with Higher Education Institutions.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the University and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Strategic Report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the University Court

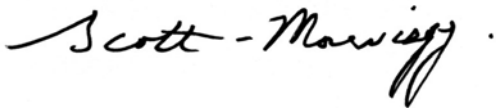
As explained more fully in the Statement of Responsibilities of the University Court, the Court is responsible for preparing the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Court determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Court is responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Court either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Scott-Moncrieff
Statutory Auditor

Scott-Moncrieff is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Exchange Place 3
Semple Street
Edinburgh
EH3 8BL



Statement of Comprehensive Income and Expenditure

for the year ended 31 July 2017

		2017	2016
		£'000	£'000
INCOME	Note		
Tuition Fees / Education Contracts	1	27,297	23,722
Funding Council Grants	2	71,614	70,914
Research Grants and Contracts	3	4,235	4,128
Other Income	4	8,530	8,132
Investment Income	5	132	219
Donations and endowments	6	51	75
TOTAL INCOME		111,859	107,190
EXPENDITURE			
Staff Costs	7	71,628	69,722
Exceptional Restructuring Cost	7	156	4,273
Interest and other finance costs	8	2,587	2,847
Other Operating Expenses	9	28,783	26,253
Depreciation	10	9,792	8,028
Total expenditure		112,946	111,123
DEFICIT BEFORE OTHER GAINS/LOSSES		(1,087)	(3,933)
Gain on Disposal of Fixed Assets		0	14
Gain on Investments		338	244
DEFICIT FOR THE YEAR		(749)	(3,675)
Actuarial Gain/(Loss) in Pension Plan		3,392	(4,964)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,643	(8,639)

Statement of Changes in Reserves

For the year ended 31 July 2017

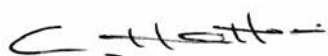
	Income & Expenditure Unrestricted £'000	Revaluation Reserve £'000	Total £'000
Balance at 1 August 2015	52,180	414	52,594
Deficit for the year	(3,675)	-	(3,675)
Other Comprehensive Income	(4,964)	-	(4,964)
Balance at 1 August 2016	43,541	414	43,955
Deficit for the year	(749)	-	(749)
Other Comprehensive Income	3,392	-	3,392
Balance as at 31 July 2017	46,184	414	46,598

Balance Sheet

As at 31 July 2017

	Note	2017 £ '000	2016 £'000
NON CURRENT ASSETS			
Tangible Assets	10	170,659	173,555
Investments	11	4,833	3,463
		175,492	177,018
CURRENT ASSETS			
Stock		79	81
Trade and other Receivables	12	6,687	5,857
Cash and cash equivalents	13	18,895	18,238
		25,661	24,176
Creditors: Amounts Falling Due Within One Year	14	(21,957)	(21,952)
Net Current Assets		3,704	2,224
Total Assets Less Current Liabilities		179,196	179,242
Creditors: Amounts Falling Due After more than One Year	15	(73,149)	(76,208)
PROVISIONS			
Pension provisions	16	(58,816)	(58,246)
Other provisions	17	(633)	(833)
Total provisions		(59,449)	(59,079)
Total Net Assets		46,598	43,955
RESERVES			
Income and Expenditure Reserve		46,184	43,541
Revaluation Reserve		414	414
TOTAL RESERVES		46,598	43,955

The Financial Statements on pages 29 to 52 were approved by Court on 13 November 2017 and were signed on its behalf by:



Waiyin Hatton
Chair of Court



Professor Craig Mahoney
Principal and Vice Chancellor

Cash Flow Statement

For the year ended 31 July 2017

	2017	2016
	£'000	£'000
Cash flow from operating activities		
Deficit for the year	(749)	(3,675)
Adjustment for non-cash items		
Pension costs less contributions payable	3,994	3,403
Depreciation	9,792	8,028
Gain on investments	(338)	(244)
Released Deferred Capital Grants	(4,562)	(3,862)
(Increase)/ decrease in Stocks	2	(2)
(Increase)/ decrease in Debtors	(830)	(3,421)
Increase/(decrease) in Creditors	(26)	3,906
Increase/(decrease) in Provisions	(231)	(1,200)
Adjustment for investing or financing activities		
Investment income	(132)	(219)
Interest payable	1,331	1,280
Profit on sale of Fixed Assets	-	(14)
Net Cash Inflow from Operating Activities	8,251	3,980
Cash flows from investing activities		
Proceeds from the sales of Fixed Assets	-	14
Investment income	132	219
Payments made to acquire Fixed Assets	(6,043)	(8,006)
New non-current asset investments	(1,051)	(1,040)
Total cash flow from investing activities	(6,962)	(8,813)
Cash flows from financing activities		
Interest Paid	(1,166)	(1,201)
Interest element of finance lease	(165)	(79)
Capital Grants Received	2,428	793
Repayments of amounts borrowed	(806)	(483)
Capital element of Finance Lease	(923)	(275)
Total cash flows from financing activities	(632)	(1,245)
Increase/(Decrease) in cash and cash equivalents in year	657	(6,078)
Cash and cash equivalents at the beginning of the year	18,238	24,316
Cash and cash equivalents at the end of the year	18,895	18,238

Statement of Principal Accounting Policies

1. Basis of Preparation

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.

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2015) and in accordance with applicable accounting standards. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS102. The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed assets and derivative financial instruments. The financial statements of the University for the year-ended 31 July 2017 have been prepared in accordance with FRS102 the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

The preparation of financial statements in compliance with FRS102 requires the use of certain material accounting estimates. It also requires the Board of Management to exercise judgement in applying the University's accounting policies as described below.

2. Basis of consolidation

The financial statements do not include the income and expenditure of the Students' Association as the University does not exert control or dominant influence over policy decisions.

3. Income recognition

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

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

Investment income is credited to the statement of income and expenditure on a receivable basis.

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

Grant Funding

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

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

Donations

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

Donations with no restrictions are recorded within the Statement of Comprehensive Income and Expenditure when the University is entitled to the income.

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

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts.

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

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

Capital grants

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

4. Accounting for retirement benefits

The Scottish Teachers Superannuation Scheme (STSS), the Strathclyde Pension Fund (SPF) and the Universities Superannuation Scheme (USS) provide retirement benefits for the employees of the University.

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 FRS 102.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions in defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The University recognises a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets.

The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. The contributions paid by the employer are set by the Fund Actuary at each triennial actuarial valuation, the most recent being as at 31 March 2014.

5. Employment benefits

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

6. Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

7. Operating leases

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

8. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

9. Fixed assets

Fixed assets are stated at cost / deemed cost less accumulated depreciation and accumulated impairment losses.

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

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

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives.

Depreciation is not charged on assets in the course of construction.

Equipment

Equipment, including computers and software, costing less than £5,000 per individual item is written off in the year of acquisition. All other equipment is capitalised. Capitalised equipment is stated at cost and depreciated over its expected useful life.

Depreciation

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

Asset Type		Expected Useful Life
Academic Property Property (dependent upon FRS 102 revaluation)		35-50
Residencies		50
Leasehold improvements		10
Equipment	Short life	4
	Medium life	10
	Long life	20
Fixtures		10
Computer	Short life	4
	Long life	8
Cars		4
Vans and buses		8
Other		15

Borrowing costs

Borrowing costs are recognised as an expense in the Statement of Comprehensive Income and Expenditure in the period in which they are incurred.

10. Heritage assets

Works of art and other valuable artefacts valued at over £5,000 have been capitalised and recognised at their fair value where reasonably obtainable. Assets received as donations are initially recognised at fair value. Heritage Assets are not depreciated as their long economic life and high residual value means that any depreciation would not be material.

11. Investments

Non-current asset investments are held at market value with movements recognised in the Statement of Comprehensive Income and Expenditure.

12. Stock

Stock is held at the lower of cost and net realisable value.

13. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

14. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

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

A contingent asset arises where an event has taken place that gives the University a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

15. Taxation

UWS is an exempt charity within the meaning of the Trustee Investment and Charities (Scotland) Act 2005 and, as such, is a charity within the meaning of Section 506 (1) of the Income and Corporation Taxes Act 1988. The University is recognised as a charity by HM Revenue & Customs and is recorded on the index of charities maintained by the Office of Scottish Charity Regulator. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable 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. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

16. Reserves

Reserves are allocated between restricted and unrestricted reserves. Restricted reserves include balances which the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

17. Financial instruments

Financial instruments are recognised in the Balance sheet when the University becomes party to the contractual provisions of the instrument. All of the University's financial instruments are classified as 'basic' in accordance with Chapter 11 of FRS102. All of the University's financial instruments are initially measured at transaction price. At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest rate method.

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

18. Judgements in applying policies and key sources of estimation uncertainty

In preparing the financial statements, the Court is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The Court are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

- Value/Impairment of building: Independent professional valuation carried out periodically to ensure the carrying value of land and buildings is not materially different from its fair value under the FE/HE SORP.
- Useful life of buildings: The remaining useful lives of buildings are considered as part of the independent professional valuation process.
- Pension obligations: Independent professional valuation carried out annually to estimate the Universities liabilities in relation to the Strathclyde Pension Fund and any liabilities relating to Enhanced Pension Provisions.

Notes to the Financial Statements

1. Tuition Fees and Education Contracts

	2017	2016
	£'000	£'000
Tuition Fees – Scotland and EU	16,609	16,318
Tuition Fees – RUK	1,399	773
Tuition Fees – Non-EU	7,098	4,515
Transnational Education	250	220
Short Course Fees	772	662
Total Fees Paid by or on Behalf of Individual Students	26,128	22,488
Nursing Education Contracts	1,169	1,234
	27,297	23,722

2. Funding Council Grants

	2017	2016
	£000	£000
Recurrent Grant from SFC		
Teaching	63,850	64,264
Research	2,674	2,404
Strategic funds	882	1,442
Deferred Capital Grant Released in Year		
Buildings	2,790	1,302
Equipment	1,418	1,502
	71,614	70,914

3. Research Grants and Contracts

	2017	2016
	£'000	£'000
Research Council	736	594
European Commission	718	597
UK Based Charities	467	395
Other Grants Contracts	2,314	2,539
Released from Deferred Capital Grants	-	3
	4,235	4,128

4. Other Income

	2017	2016
	£000	£000
Residences, Catering and Conferences	4,548	4,544
Other Services Rendered	605	256
Released from Deferred Capital Grants	573	1,055
Other Income	2,804	2,277
	8,530	8,132

5. Investment Income

	2017	2016
	£'000	£'000
Interest Receivable	79	164
Dividends Receivable	53	55
	132	219

6. Donations

	2017	2016
	£000	£000
Unrestricted donations	51	75

7. Staff Costs

	2017	2016
	£'000	£'000
Staff costs		
Wages and Salaries	54,574	53,945
Social Security Costs	5,481	4,902
Pension Costs	11,573	10,875
	71,628	69,722
Exceptional Restructuring Cost	156	4,273

The exceptional restructuring cost relates to a Voluntary Severance and Voluntary Retirement scheme. The scheme was approved by the University's Remuneration Committee and Court.

Emoluments of the Principal and Vice Chancellor	2017	2016
	£'000	£'000
Salary	223	221
Performance related payment	6	6
Emoluments in lieu of pension contributions	26	-
Employer's Pension Contributions	7	37
	262	264

The Principal and Vice-Chancellor is a member of one of the pension schemes supported by UWS and employer contributions are standard. The payment in lieu of pension contributions is in line with the agreed UWS policy for any staff who are eligible.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling activities of the University: this comprises of the members of the Vice Chancellor's Executive group. The total compensation for the year ended 31 July 2017 (including any employer's pension contributions) was £1.4m (year end 31 July 2016, £1.04m)

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

	2017	2016
	Number	number
£100,000 - £109,999	5	3
£110,000 - £119,999	3	1
£120,000 - £129,999	2	3
£130,000 - £139,999	-	-
£140,000 - £149,999	-	-
£150,000 - £159,999	1	1

Average staff numbers by major category:

Academic	642	702
Administrative	505	477
Other including Clerical & Manual	208	210
Technical	52	52
	1,407	1,441

Court Members

The University Court members are the trustees for the charitable law purposes. Due to the nature of the University's operations and the compositions of the Council, being drawn from local public and private sector organisations, it is inevitable that the transactions will take place with organisations in which a member of the Court may have an interest. All transactions involving organisations in which a member of Court may have an interest are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement procedures. The register of interests for Court Members is made available to the public via our website.

The total expenses paid to or on behalf of the Court members was £6,504.

8. Interest and Other Finance Costs

	2017	2016
	£'000	£'000
Interest	1,166	1,201
Finance Lease Interest	165	79
Net charge on pension scheme	1,256	1,567
	2,587	2,847

9. Analysis of Total Expenditure by Activity

	2017	2016
	£'000	£'000
Academic Departments	8,376	6,913
Academic Services	3,333	3,033
Research Grants and Contracts	1,911	1,620
Residences, Catering and Conferences	1,702	1,861
Premises	4,009	4,352
Administration	8,956	7,933
Other Services Rendered	496	541
	28,783	26,253
Other Operating Expenses Include:		
Auditors' Remuneration:	41	47

10. Fixed Assets

	Freehold Land	Freehold Buildings	Fixtures, Fittings & Equipment	Assets in Course of construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 August 2016	9,847	164,252	64,968	6,760	245,827
Additions	-	1,682	2,404	2,813	6,899
Transfers	-	1,006	5,654	(6,660)	-
At 31 July 2017	9,847	166,940	73,026	2,913	252,726
Depreciation					
At 1 August 2016	-	19,082	53,193	-	72,275
Charge for Year	-	5,932	3,860	-	9,792
At 31 July 2017	-	25,014	57,053	-	82,067
Net Book Value					
As at 31 July 2017	9,847	141,297	15,973	2,912	170,659
Assets held under finance leases included in the total above	-	-	3,978	-	3,978
As at 31 July 2016	9,847	145,172	11,776	6,760	173,555
Assets held under finance leases included in the total above	-	-	-	5,300	5,300

11. Investments

	Listed	Unlisted	2017	2016
	£'000	£'000	£'000	£'000
Balance at 1 August 2016	3,435	28	3,463	2,179
Purchase of Investments	1,000	-	1,000	1,000
Re-investment of dividends	32	-	32	40
Write down of investment				
Gain on revaluation	338	-	338	244
Balance at 31 July 2017	4,805	28	4,833	3,463

12. Trade and Other Receivables

	2017	2016
	£'000	£'000
Amounts Receivable Within One Year:		
Trade Debtors	747	1,198
Other Debtors	31	20
Prepayments and Accrued Income	5,909	4,639
	6,687	5,857

Financial instrument assets comprise: Trade debtors, other debtors and accrued income £2,337k.
(2016:£1.981k)

	2017	2016
	£'000	£'000
Bank deposits	5,887	10,363
Cash equivalents	13,008	7,875
	18,895	18,238

13. Cash and Cash Equivalents

14. Creditors: Amounts Falling Due Within One Year

	2017	2016
	£'000	£'000
Unsecured Loan	844	806
Obligations under finance leases	1,043	807
Trade payables	2,337	1,028
Other Creditors and Deposits	1,370	1,269
Social Security and Other Taxation Payable	1,577	1,983
Accruals and Deferred Income	11,492	12,522
Deferred Capital Grant	3,294	3,537
	21,957	21,952

All current finance leases reflect investment relating to IT equipment.

15. Creditors: Amounts Due After One Year

	Obligation under Finance Lease	Loan Repayment	Deferred Capital Grant	2017
	£'000	£'000	£'000	£'000
Due Between One and Two Years	1,079	884	3,228	5,191
After Two and Within Five Years	1,941	2,905	6,108	10,954
After Five Years		17,912	39,092	57,004
	3,020	21,701	48,428	73,149

	Obligation under Finance Lease	Loan Repayment	Deferred Capital Grant	2016
	£'000	£'000	£'000	£'000
Due Between One and Two Years	823	844	3,294	4,961
After Two and Within Five Years	2,521	2,774	7,395	12,690
After Five Years	-	18,927	39,630	58,557
	3,344	22,545	50,319	76,208

The University has a loan facility of up to £24.5 million, all of which has been drawn down
Interest is charged at rates of:

- £10.0m 5.04 % Fixed for 20 years
- £10.0m 5.52 % Fixed for 20 years
- £ 4.5m 3.94 % Fixed for 10 years

The total loan interest charged in the year was £1,166k.

Financial instrument liabilities comprise: Loans, obligations under finance leases, trade payables, other creditors and accruals £36,244k. (2016:£37,520k)

16. Pension Provisions

	SPF Liability	Enhanced Pensions	USS Deficit	Total
	£'000	£'000	£'000	£'000
As at 1 August 2016	50,987	7,206	53	58,246
Utilised in year	(7,980)	(461)	-	(8,441)
Additions in year	8,582	429	-	9,011
As at 31 July 2017	51,589	7,174	53	58,816

Enhanced Pensions

This is a provision by the University for University pensioners. The scheme will be required to cover the liability of existing membership only as no new members will be added.

USS deficit

The obligation to fund the past deficit on the University's Superannuation Scheme (USS) arises from the Contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of the provision.

The University participates in three multi-employer defined benefits schemes:

- Strathclyde Pension Fund (SPF)
- Scottish Teachers Superannuation Scheme (STSS)
- Universities Superannuation Scheme (USS)

The total pension cost to the University under these schemes was:

	2017	2016
	£'000	£'000
SPF current and past service cost	7,326	6,180
STSS contributions paid	4,191	4,655
USS contributions paid	53	40
	11,570	10,875

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 scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2012. The next valuation will be as at 31 March 2016 and this will set contribution rates from 1 April 2019.

The University has no liability for other employers' obligations to the multi-employer scheme. As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme. It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme.

The employer contribution rate from 1 April 2015 will be 14.9% of pensionable pay. This increased to 17.2% from 1 September 2015. In 2015-16 this provided an average rate of 16.2417%. While the employee rate applied is a variable it will provide an actuarial yield of 9.6% of pensionable pay. At the last valuation a shortfall of £1.3 billion was identified in the notional fund which will be repaid by a supplementary rate of 4.5% of employer's pension contributions for fifteen years from 1 April 2015. This contribution is included in the 17.2% employers' contribution rate ended 31 July 2017.

The Universities Superannuation Scheme

There are also academic staff in the Universities Superannuation Scheme (USS), which is a defined benefit scheme, contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. The University is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the University's employees. In 2017, the percentage was 18% (2016: 18%).

Strathclyde Pension Fund

FRS 102 liability numbers have been produced for the Strathclyde Pension Fund using the following assumptions:

Category of Plan Assets as a percentage of total plan assets	2017	2016
Equities	71%	73%
Bonds	14%	16%
Property	11%	11%
Cash	4%	0%
Investment Returns	2017	2016
Actual Returns from 1 July 2016 to 30 June 2017	18.6%	14.6%
Total Return from 1 August 2016 to 31 July 2017	13.6%	14.6%
Financial Assumptions	2017	2016
Discount rate	2.7%	2.4%
Pensionable salary growth	4.5%	3.9%
Pension Increase Rate	2.5%	1.9%

The main demographic assumption used relates to the mortality assumptions. Mortality in retirement is assumed to be in line with the Continuous Mortality Investigation's (CMI) S1NA tables as follows:

	Males	Females
Current Pensioners	22.1 years	23.6 years
Future Pensioners	24.8 years	26.2 years

The following amounts at 31 July 2017 were measured in accordance with the requirements of FRS102:

Year ended 31 July 2017

	2017	2016
	£'000	£'000
Opening assets and Liabilities		
Fair value of plan assets	157,990	137,108
Present value of funded liabilities	(204,549)	(175,287)
Present value of unfunded liabilities	(4,428)	(4,441)
Net Liability at start of year	(50,987)	(42,620)
Current service cost	(7,262)	(6,133)
Past service cost	(64)	(47)
Total Service Cost	(7,326)	(6,180)
Interest income on plan assets	3,807	4,950
Interest on defined benefit obligation	(5,063)	(6,517)
Total net interest	(1,256)	(1,567)
Total deficit for the year	(8,582)	(7,747)
Cashflow employer contributions	4,327	4,078
Contributions in respect of unfunded benefits	261	266
Expected closing position	(54,981)	(46,023)
Changes in financial and demographic assumptions	(14,300)	(21,958)
Other experience	(27)	1,870
Return on assets excluding amounts included in net interest	17,719	15,124
Total re-measurements recognised in Other Comprehensive income	3,392	(4,964)
Fair value of plan assets	181,038	157,990
Present value of funded liabilities	(228,257)	(204,549)
Present value of unfunded liabilities	(4,370)	(4,428)
Net liability at end of year	(51,589)	(50,987)

17. Provisions for Liabilities

	TUPE Liability	Dilapidation	SFC Clawback	Total
	£'000	£'000	£'000	£'000
As at 1 August 2016	150	483	200	833
Utilised in year	-	-	(200)	(200)
Additions in year	-	-	-	-
As at 31 July 2016	150	483	0	633

TUPE Liability

This is for a group of staff who transferred from the NHS Mental Health and the University has provided for NHS terms and conditions.

Dilapidation

This is a provision for the Dumfries & Galloway campus.

SFC Clawback

This was a provision whilst clarity was sought about funding conditions.

18. Childcare Fund (CF), Discretionary Fund (DF) and Nursing and Midwifery (NMF)

	2017	2017	2017	2016	2016
	£'000	£'000	£'000	£'000	£'000
	CF	DF	NMF	CF	DF
Funds Brought Forward from previous year	-	-	-	-	-
Refunded to SAAS	(17)	-	(48)	(18)	-
Funds Received in Year	877	901	98	840	903
Expenditure	(601)	(1,159)	(50)	(599)	(1,126)
Virements	(259)	259	-	(223)	223
Funds Carried Forward at 31 July 2017	-	-	-	-	-

The Childcare and Discretionary Funds 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 Statement of Comprehensive Income and Expenditure.

19. Capital Commitments

This University has significant capital plans with a new campus in Lanarkshire due to open in September 2018. Further information about the new campus development can be found at the front of this document and on the University's website: <https://www.uws.ac.uk/university-life/campuses/lanarkshire-campus/>





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We're proud to have received national recognition for our work across a range of diverse areas, including the student experience, health, equality and diversity and the environment

// Times Higher Education World University Rankings 2018

– officially recognised in the top 3% of universities worldwide.

// Times Higher Education Young University Rankings 2017

– officially recognised in the world's top 200 universities under 50.

// The Times and Sunday Times Good University Guide 2018

– recognised in the top 100 UK universities for the first time.

// Winner at the Herald Higher Education Awards 2017 for 'Student Support Team' and 'Research Project' of the year.

// Athena SWAN Institutional Bronze Award received in 2016.

// Winner at Scotland's Dementia Awards 2016 for 'Best Educational Initiative' for our innovative intergenerational resource *Dementia: Class in a Bag*.

// Awarded the European Commission HR Excellence Award.

// THE Student Experience Survey 2015-16

– 4th most improved UK university.

// National Union of Students (NUS) Green Impact Gold Award

– won by UWS Students' Association reflecting student and staff dedication to positive environmental action over 2014-15.





Ayr Campus

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At UWS, we believe in our students' future.

We have a proud record in delivering work-ready graduates and developing effective partnerships with business, industry and the public and voluntary sectors.

With our cutting-edge courses, practical knowledge, and intelligent teaching, we help our students get ahead.

Through our innovative learning partnership we invest in people's potential to shape their future. Built on uniting students, professionals, industry and our communities, this partnership stretches from the West of Scotland around the world.

We believe in the transformative power of active learning and engagement. We treat our students as individuals, partners and potential leaders in their fields and professions, providing them with the globally relevant knowledge, skills and confidence to think critically and to challenge received wisdom.

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