

Financial Statements

for the year ended 31 July 2018



UNIVERSITY OF THE
WEST of SCOTLAND

UWS



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Introduction from the Principal and Vice-Chancellor



I continue to be proud of the progress the University of the West of Scotland (UWS) is making in what continue to be challenging financial times. Our staff and students have continued to be successful and we have achieved many positive outcomes in our teaching and research activity. Our recently refreshed Corporate Strategy has given us renewed focus on teaching, research and global reach, and we are well on our way to achieving many of our ambitions set out in the Strategy.

My belief that UWS can dream, believe and achieve remains. I have every confidence that the whole institution works towards its nine Truths on a daily basis. I remain committed to delivering a student-centred, research-informed curriculum that transforms lives. It is essential that we continue to provide

leading-edge teaching, contemporary and inspirational learning environments, and invest in research so that we can create innovation in pedagogy and prepare UWS students for a rewarding future. Our three clear thematic aspirations in Student Success; Research and Enterprise; and Global Engagement enable us to do this and are strengthened by a focus on people, sustainability and technology to support learning, pedagogy, research, innovation, qualifications and partnerships.

We are now achieving many of the aspirational targets we set for ourselves; in particular having exceeded the target for positive student outcomes three years ahead of schedule, with 86% of graduates securing professional employment or further study in 2016/17 against a target of 85% by 2019/20. We continue to enjoy national and international recognition, having been recognised in The Times Higher World University Rankings, The Times Higher Education Young University Rankings, The Times and Sunday Times Good University Guide. In the National Student Survey there was excellent performance in 2017/18 achieving 100% satisfaction in Civil Engineering; Engineering Management; Physics with Nuclear Technology; Physics and Midwifery. Our overall student satisfaction in the NSS increased from 82.9% in 2017 to 84.9% in 2018 and in the Postgraduate Taught Experience Survey 2017 our overall student satisfaction was 85.6%.

UWS is regularly shortlisted for awards in research, enterprise, teaching and professional services, winning the Student Support Team of the Year and Research Project of the Year at the Herald Higher Education Awards 2017 and we have won an enterprise award for research into the use of imaging to identify tooth decay and many other medically related alternatives to x-ray. In 2018 we were also shortlisted in the Times Higher Education Leadership and Management Awards for Innovation Project of the Year; in the Guardian Awards in the Inspiring Leader and Course and Curriculum Design categories; in the Herald Higher Education Awards in the Innovative Technology and Widening Access categories; and in the PIONEER Awards for Digital Innovation. We have been identified as a world leader in thin film technology and a national authority on dementia research. Along with Surrey University, UWS is a UK leader in 5G mobile developments. UWS researchers have also made a significant discovery of a protein that has anti-virus properties that could have a fundamental role to play in combating viruses and cancer.

Like all universities, we have huge ambitions related to teaching, research, global engagement, sustainability and the improvement of our worldwide brand. The commitment to our students and the major contribution UWS makes to widening access better than any other Scottish university, combined with a dare to be different attitude, clearly encapsulates why UWS is unlike many other universities and we remain committed to developing a new 21st century approach to higher education. I am therefore delighted that our new campus in Lanarkshire is now open, which is a truly world-class, modern and fabulous facility that will enable modern and relevant teaching, research and enterprise. Through our various global and trans-national education partnerships, we are also delivering UWS higher education in more parts of the world than ever before and I remain committed to us becoming one of the largest providers of Scottish higher education across the globe.

These latest financial statements demonstrate our continued investment and growth that will ensure our academic excellence and student success long into the future. However, these are challenging times and UWS must face these head on. We must work hard to ensure that we seek out and take advantage of, innovative approaches to partnership, develop new and sustainable income streams to support the mission of the institution and narrow our reliance on Scottish Funding Council resources. Developments like our new Lanarkshire campus are examples of how we can add value to our students' learning, the business infrastructure of the region and provide a community resource that will have a sustained impact on the economy locally, nationally and internationally. I believe that significant investment in new interactive learning spaces must continue if we are to enable our teaching colleagues to create a more inclusive and collaborative style of learning. I will continue to develop the estate, the curriculum, the pedagogy and the research that underpins our commitment to higher education and the range of partnerships in which we are involved. Through the hard work of colleagues and partners, UWS is creating a significant impact to the communities it serves and I am confident that progress will continue in the coming year.



Professor Craig Mahoney
Principal and Vice-Chancellor

Key Financial Highlights

The results for the year ended 31 July 2018 are summarised below:

	2017/18 £m	2016/17 £m
Income	112.3	111.9
Expenditure	110.4	108.7
Underlying Operating Surplus	1.9	3.2
Pension Charge to I&E	(5.3)	(4.3)
Operating (deficit) before other gains	(3.3)	(1.1)
Other items	0.7	0.3
Operating (deficit) for the year	(2.6)	(0.8)
Net Assets	87.4	46.6

	2017/18 Number	2016/17 Number
Total Students	19,053	17,496
Staff FTE	1,318	1,407



UWS Lanarkshire Campus

Strategic Report

CORPORATE REVIEW

The University

The University of the West of Scotland (UWS) is one of Scotland's largest and most innovative universities. It operates from campuses in Paisley, Lanarkshire, Ayr, Dumfries and London and has partners in Europe and throughout the world.

The University aims to have a transformational influence on the economic, social and cultural development of the west of Scotland and beyond.

Study and research are delivered through Academic Schools and are supported by a number of Professional Support Departments. The Schools are the foundation of academic life at the University offering cutting edge teaching and first class research facilities.

The research activities fall into three key strategic themes; health, society and sustainability. UWS's research vision is to deliver transformational change through outputs that have tangible, early and positive impact on society across the globe.

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 24 to 28, and the members of the University Court during the year ended 31 July 2018 and up to the signing date of these financial statements, who are the charity's trustees, are listed on page 30.

The Court is responsible for the appointment of the Chancellor, the Principal and Vice-Chancellor and the Secretary to the Court. The majority of the Court are lay members, and students and staff are represented in the membership. The main responsibilities of the Court are set out in its Statement of Primary Responsibilities which is listed on page 28.

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.





1 University
5 Campuses
5 Academic Schools

Charitable Status

The University of the West of Scotland is a registered charity in Scotland with the Office of the Scottish Charity Regulator under number SC002520.

Principal Advisors

The University's principal advisors are listed on page 61.

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 the Court in carrying out its functions. The current Chair of the 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 the 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 Executive Group.

Leadership and Management

The Vice-Chancellor's Executive Group is responsible for the day-to-day running of the University. 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.

Highlights of the year

This year the University has successfully continued its systematic progress towards its strategic objectives, with achievements in a number of areas as follows:

National and International Recognition

- In 2018 UWS was shortlisted in the Times Higher Education Leadership & Management Awards for Innovation Project of the Year; in the Guardian Awards in the Inspiring Leader and Course & Curriculum Design categories; in the Herald Higher Education Awards in the Innovative Technology and Widening Access categories; and in the PIONEER Awards for Digital Innovation.
- National Student Survey - excellent performance in 2017/18 with an overall satisfaction increase (compared with 2016/17) of 2 percentage points to 84.9%, placing us above the Scottish average benchmark. Additionally, some of our programmes achieved outstanding outcomes with 100% including Aircraft Engineering, Civil Engineering, Midwifery, Applied Bioscience; and Childhood Practice.

Research Excellence

- Ultrasound sensor technology developed at UWS by Dr Dave Hughes, a member of the UWS Institute of Thin Films, Sensors & Imaging, has the potential to revolutionise the world of industry. Novosound, the first spin-out company to emerge from University of the West of Scotland, closed its seed investment round, raising £1.5 million - double the original target. The company won the 2017 Converge Challenge, and has developed and patented a ground-breaking technique to mass-manufacture printable ultrasound sensors. The revolutionary method overcomes limitations of existing technology. Seeing the global gap in the market, one with huge potential for income generation, UWS aims to make an impact particularly in industrial inspection, and with important associated benefits for the medical and dental imaging markets.
- In partnership with Alzheimer Scotland, UWS' Alzheimer Scotland Centre for Policy and Practice, provides a centre of excellence dedicated to advancing dementia policy and practice through education, applied research and enterprise. The Centre aims to support and promote collaborative work between people with dementia, family carers and the scientific and practice communities in order to achieve local, national, European and international impact. UWS and Alzheimer Scotland signed a Strategic Partnership Agreement in 2017, which will see a focus on shared priority areas.
- Research in 5G Networks continues, with UWS at the forefront of a collaborative European project that could see remote surgery, driverless cars and smooth mobile HD streaming all become a reality. UWS researchers Dr Jose Alcaraz-Calero and Dr Qi Wang, are the technical leads on the SELFNET project, developing a 'self-healing' mobile network. It will deliver dramatic improvements to quality of user experience, reliability and security – unlocking a wealth of new possibilities.

Innovative learning & teaching

We continue to develop new pedagogical approaches to enhance flexibility and maximise new technology. One recent example is the successful introduction of an immersive digital teaching solution by the School of Business & Enterprise, which is delivering highly personalised, hyper-flexible and collaborative learning experiences for our students. This innovative approach has received national recognition in 2018 at the Guardian University Awards, The Herald Higher Education Awards and The PIONEER Awards. At the very heart of this approach is the UWS purpose to provide student-centred, personalised and distinctive learning and teaching experiences, underpinned by professionally relevant research, knowledge exchange and enterprise. Our team have taken a microlearning approach to reconstruct and capture their teaching into bite-size video segments which students are able to access anytime, anywhere and on any device.

Student Success: Widening Access

UWS continued as a sector leader in widening access – our 17/18 early access return indicated that we have 28.7% of Scottish Domiciled Undergraduate Entrants from SIMD20 and 50.3% from SIMD40.

We are incredibly proud to be leading the way in ensuring that more people from disadvantaged backgrounds go to university. As a result of our efforts to widen access to higher education and close the attainment gap, we are delivering on our purpose to change lives and transform communities through outstanding, distinctive and progressive higher education. A huge amount of improvement work has been delivered in recent years to drive up student experience and support which is now paying real dividends for our students and their successful outcomes.

Student Success: Articulation

UWS makes a sector leading contribution to articulation – 1200 with advanced standing each year, with approximately one-third of our annual intake coming through this route. Our success in this area is due in large part to our longstanding relationships with the Further Education sector and Strategic Partnership Agreements with eight partner colleges across approximately 25 campuses in the West of Scotland.

Student Success: Improved Retention

The percentage of students continuing their studies after their first year at UWS has increased significantly in recent years (from 75% in 2011/12 to 86% in 2016/17) and will continue to increase because of the positive and proactive steps we are taking to support our students.

Student Success: Positive Outcomes

At the same time as increasing retention rates, we also exceeded our target for positive student outcomes three years ahead of schedule with 85.7 per cent of graduates securing professional employment or further study in 2016/17 against a target of 85 per cent by 2019/20.

Aligning with national priorities

- STEM - UWS is one of the most active universities in outreach to promote STEM and to promote engagement to overcome gender imbalance. Examples of this include: the Wee University of the West of Scotland initiative, Children's University, STEM Summer School, UWS Mission Discovery 2018 and new programme developments such as Cyber security.
- We have growing demand in the areas of Nursing and Midwifery and Creative Industries.
- Childhood Studies and Childhood Practice programmes are seeing an upswing in demand, with Early Years Education delivery continuing to develop and grow at UWS.
- We continue to be one of Scotland's largest Nursing and Midwifery education provider.
- Our ultra-modern Lanarkshire Campus which opened in September 2018 brings new thinking in the delivery of teaching and has delivered world-class flexible and interactive learning spaces, easily adaptable to the needs of our students and staff. It will be a landmark facility for Scottish Higher Education.

UWS at a glance

- **19,053 students (headcount)**
- **70.4% of students are 21 years plus**
- **31% of Scottish domiciled entrants to degree programmes articulate from college**
- **highest percentage of students from state schools/colleges in Scotland in 2016/17 (98.3%) - joint 20th highest in UK.**
- **Total staff: 1,423 staff (headcount)**



Student Experience

Student Recruitment

In 2017/18 UWS' student population grew with total student numbers increasing to 19,053 up 1,557 (8.9%). This was primarily through growth in non-SFC funded student populations.

Total student population	2017/18	2016/17
Undergraduate and Lifelong Learning	14,380	13,780
Postgraduate	4,673	3,716
Total	19,053	17,496

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 the delivery of the Government's widening access priorities. Over a quarter (28.7 per cent) of Scottish-domiciled entrants to full-time undergraduate courses at UWS come from SIMD20 areas, which is more than double the Scottish average (14.2 per cent). UWS also has the highest proportion of Scottish-domiciled undergraduate entrants to UWS from SIMD40 areas, at 50.3%.

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 2018 showed UWS completion rates, in terms of students projected to receive an award, other award or transfer, increased from 82.2% to 83.9%. Recent DLHE data showed that 85.7% of UWS graduates from 2016/17 were in professional employment or further study six months after graduating, an improvement of 6.9 percentage points compared to the previous year.

The University's London Campus continued its successful launch with significant growth in the population growing from 423 students to 1,442 between 2015/16 and 2017/18, 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 1,731 students, which now represents 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 Executive Team and the University's Leadership Team, with regular reporting through these groups ensuring any potential deviation will be seen in a timely manner, which will allow decisions to be taken to make any necessary adjustments in year.

Risk and Risk Management

The University takes a systematic approach to managing risk at corporate, school, department and project levels. Underpinning this is a risk management framework embedded throughout the University which incorporates an institutional risk procedure, guidance, and managed arrangements for periodically recording, reviewing and escalating risk information.

High level risks to the University achieving the refreshed Corporate Strategy are managed closely and documented on the Corporate Risk Register. Reflecting the importance of these corporate risks, each has been assigned an owner from the Vice Chancellor's Executive Group who has executive responsibility for managing that risk. These risks are reviewed quarterly with the Corporate Risk Register submitted periodically to the Audit and Risk Committee and Court.

The University is currently addressing corporate 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 of the UK 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.
- Maintaining information and cyber security across the University, particularly in light of the May 2018 introduction of the General Data Protection Regulation.

Underpinning the high level corporate risks are school, departmental and project risks that are owned locally but reviewed by the University Risk Group on a quarterly basis. The most significant are reported as appropriate to the Vice-Chancellor's Executive Group, Audit and Risk Committee, and ultimately Court. The Risk Group has been further developed this year to include a wider range of senior representatives from both academic and non-academic areas, bringing a broader range of expertise together to support the dynamic management of risks.



Estates and Facilities

The University has committed over £4.5 million to capital maintenance projects to continue the programme of sustainable investments and improvements in physical infrastructure and resilience on our Paisley and Ayr campuses. Investment in the University estate in 2017/18 continues to focus on the creation of additional vibrant social space for students and staff, sports facilities and improvements to learning and teaching; enabling new modes of teaching for the digital age.

The UWS Lanarkshire Campus project, approved by Court in June 2016, has successfully progressed to full delivery throughout 2017/18 with the Campus opening in July 2018 to over 250 staff who seamlessly transitioned from the Hamilton Campus to the new Campus. Over 4,100 students registered to the Lanarkshire Campus were welcomed for the September 2018 term.





The Lanarkshire campus development, Scotland's newest University Campus, delivers circa 26,285m² floor space, will be open 24/7 providing contemporary, innovative and flexible learning and social spaces across the campus. The combined investment in a £64m building and £30m of additional expenditure, means that the UWS Lanarkshire Campus is truly transformational, situated in the heart of Hamilton International Technology Park alongside over 80 local, national and international businesses, and offering a range of exciting opportunities to forge mutually beneficial partnerships with industry on a range of employability, research and enterprise initiatives.

The Science Labs project will be delivered throughout 2018/19 with Science provision transferring from Paisley Campus to Lanarkshire Campus for September 2019. In addition, 2018/19 will see the original Hamilton Campus being redeveloped as part of the joint masterplan in collaboration with South Lanarkshire Council.

Sustainability

Sustainability has been identified as one of three key research themes at UWS. Developing technology, practice and policy, which makes the future more secure and sustainable, is a key goal for research in a wide range of fields and disciplines across the University. In 2016/17 there were 49 research and enterprise awards falling within the sustainability theme. These totalled £3.4m in value.

UWS works closely with the Student Association (SAUWS) to increase student engagement on Sustainability. Sustainability Hubs in Ayr and Paisley and the Paisley Community Garden provide the focal points for activity. Activity includes: film showings, energy advice, upcycling, food growing and cycle maintenance; inspiring our students to increase their knowledge and take action on sustainability.

Active travel continues to be a focus, with Ayr Campus receiving the Cycling Scotland “Cycle Friendly Campus Award”. Active travel has a multitude of benefits, as demonstrated by the Ayr Campus bike loan scheme. Brodie’s Bikes was introduced in the memory of a UWS student, Brodie Eaton. With the help and support of his relatives, the Brodie’s Bike Project was launched in 2017 to provide free short term loan bikes for students at the Ayr Campus residences. Aiming to improve mental and physical health, the scheme has the additional benefits of reducing travel related carbon, providing opportunities for social interaction and free sustainable travel. This scheme is to be expanded to Hamilton and Paisley residences in 2018-19.

UWS Schools and Departments take action on Sustainability through the NUS Green Impact accreditation scheme. Teams have delivered inspirational change including action to reduce travel, through the effective use of information technology and agile working. The success of this travel reduction initiative has been recognised by the Environmental Association of Universities and Colleges, with the Depute Director of ITDS shortlisted as a Green Gown finalist 2018, in the Sustainability Champion of the Year category. The UWS Catering Green Impact team has also achieved significant increases in recycling through the introduction of compostable coffee cups, cutlery and food packaging.

UWS is committed to reducing carbon and mitigating our impact on the environment. An ambitious corporate target was set to reduce carbon emissions by 20 per cent by 2019/20. This target has been exceeded, ahead of schedule, with the most recent carbon footprint demonstrating the success of initiatives, with a 22% reduction from the 2012/13 baseline.

We continue to focus on carbon reduction and innovation with our new Lanarkshire Campus set to be carbon neutral for energy, through the use of renewable electricity. The campus will also utilise rain water harvesting to further reduce carbon emissions from water consumption.



Equality and Diversity

The University's Equality Outcomes outlined in our Equality and Mainstreaming Report¹ supports our UWS truths that "we are an inclusive organisation that welcomes and values diversity"

Our Equality outcomes helps us fulfill our duties under the Equality Act 2010 and the Equality and Mainstreaming Report sets out the measures, activities and successes at UWS in our commitment to embedding equality and diversity across all our Schools, Departments and in the ways we conduct business at UWS. This report outlines our commitment to delivering an inclusive organisation that supports all staff and students.

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.

UWS welcomes the opportunity to make a difference in how we deliver equality and diversity in Scotland and supporting those protected characteristics to ensure that they have the same opportunities as others to be free of any form of unlawful discrimination.

UWS signed up to the Listen campaign, aimed at tackling discrimination for young people leaving the care system. We welcome the opportunity to go beyond the scope of the Equality Act to deliver an inclusive institution that celebrates diversity of all members of our community.



¹ <https://www.uws.ac.uk/media/1972/public-sector-equality-duty-mainstreaming-report-2017.pdf>

Disability

UWS is recognised as a Disability Confident Employer, we believe in getting the right people for our business. We ensure that we interview all applicants with a disability who meet the essential criteria of advertised vacancies. We ensure that full consideration is given to reasonable adjustments for all staff that have declared a disability so that the requirements of the job can be fulfilled. UWS is committed to establishing a disability staff group to ensure that staff feel supported and can help inform how we develop best practice at UWS.

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 the start of the employment or later in career.



Financial Review

2018 OVERVIEW

As can be seen from the Statement of Comprehensive Income on page 37 of these accounts, the University has achieved an underlying operational surplus of £1.9m (2017: £2.0m). However there are several non-cash accounting adjustments, as required by Financial Reporting Standard 102 totalling £4.6m, resulting in a recorded deficit for the year of £2.6m (2017: £0.7m).

These non-cash adjustments include a non-cash charge of £5.3m (2017: £4.3m) in respect of the accounting for the current service costs and net interest charge for the Strathclyde Pension Fund of £3.9m (2017: £3.0m) and £1.4m (2017: £1.2m) respectively. In addition to the amounts recognised in respect of the Strathclyde Pension Fund, there was £0.3m of a gain from the disposal of land in Ayr and £0.4m of an unrealised surplus on revaluation of investments. The Total Comprehensive Income for the year reports an overall surplus of £40.8m (2017: £2.6m) and this is predominately as a result of £43.4m (2017: £3.3m) of an actuarial gain on the Strathclyde Pension Fund. This gain relates to changes as a result of the recent triennial valuation where liabilities have reduced 41% as a result of real discount rates (actual inflation) and actual salary increases been lower than actuarial assumptions and changes in the underlying membership data has also netted a 59% reduction in liabilities.

The operating results are summarised in the table below:

	£m
Underlying operating surplus	1.9
Pension Charge to I&E	(5.3)
Deficit before other gains	(3.3)
Gain on land disposal	0.3
Unrealised surplus on revaluation of investments	0.4
Deficit for Year	(2.6)

Income increased by £0.5m and is reported within the Statement of Comprehensive Income at £112.3m (2017: £111.9m) which reflects a growth of 0.4%, (2017: 4%). Expenditure increased by 2.4% from £112.9m in 2017 to £115.6m for 2018. The expenditure increase of £2.7m relates mainly to a £2.3m increase in staff costs, which was driven by wage and grade inflation with related employer on-costs as well as a £1.0m increase in interest and financing costs, largely due to the new campus development at Lanarkshire and a £0.7m increase in exceptional restructuring costs. The impact of these increases was partly mitigated by a reduction of other operating expenses of £1.8m (6.4%)

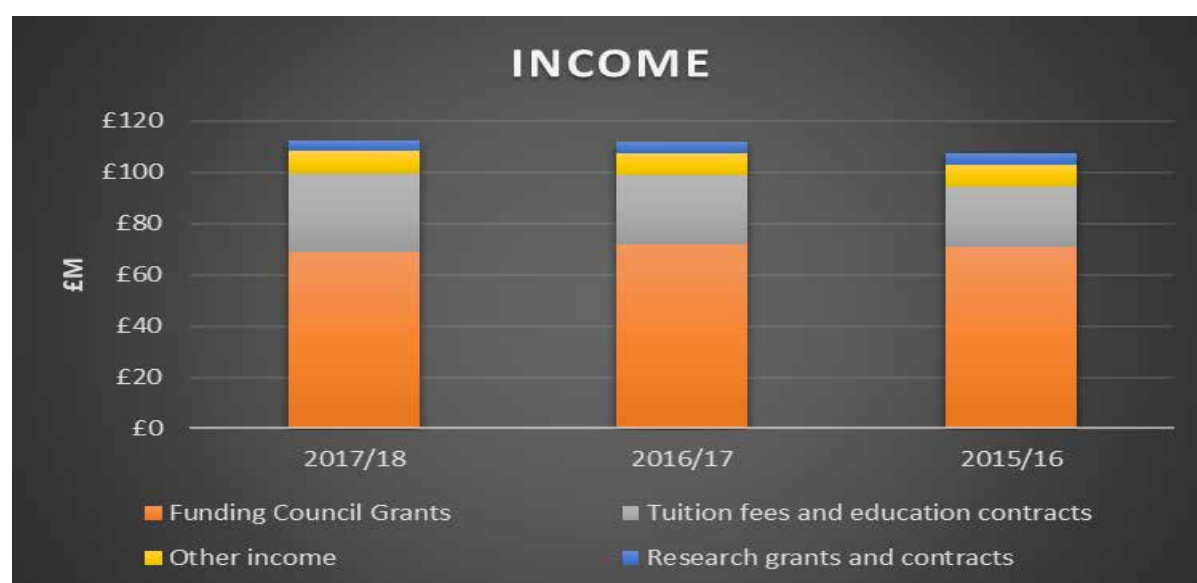
The University continues to thrive despite challenging times and the volatility of international student markets for the whole of the Higher Education sector. Performance at the University's campus in London remains strong. The underlying financial performance in 2017/18 reflects our continued investment to ensure our academic excellence and student success especially the UWS inclusive and research informed style of learning. The 2017/18 financial results includes an investment of £83m of capital expenditure, £65m of which is funded by leases and £18m cash, whilst retaining a strong cash balance reported of £16.3m (£18.9m, 2017). The University is delighted to report that the new campus in Lanarkshire opened in September 2018 and focus remains on the ongoing delivery of UWS Corporate Strategy 2020.

Financial Review

Income

Despite a reduction of £1.5m SFC funding [Note 2], total income grew by £0.5m (0.4%) to £112.3m (2017: £111.9m). Total income comprises funding council grants, tuition fees and education contracts, research grants, other income, investment income and donations and endowments. As a proportion of FTE staff, income has increased 7.2% (2017: +6.9%) and total income represents £85,266 per FTE staff member. (2017: £79,502).

The distribution of income over the past 3 financial years under FRS 102 is as follows:



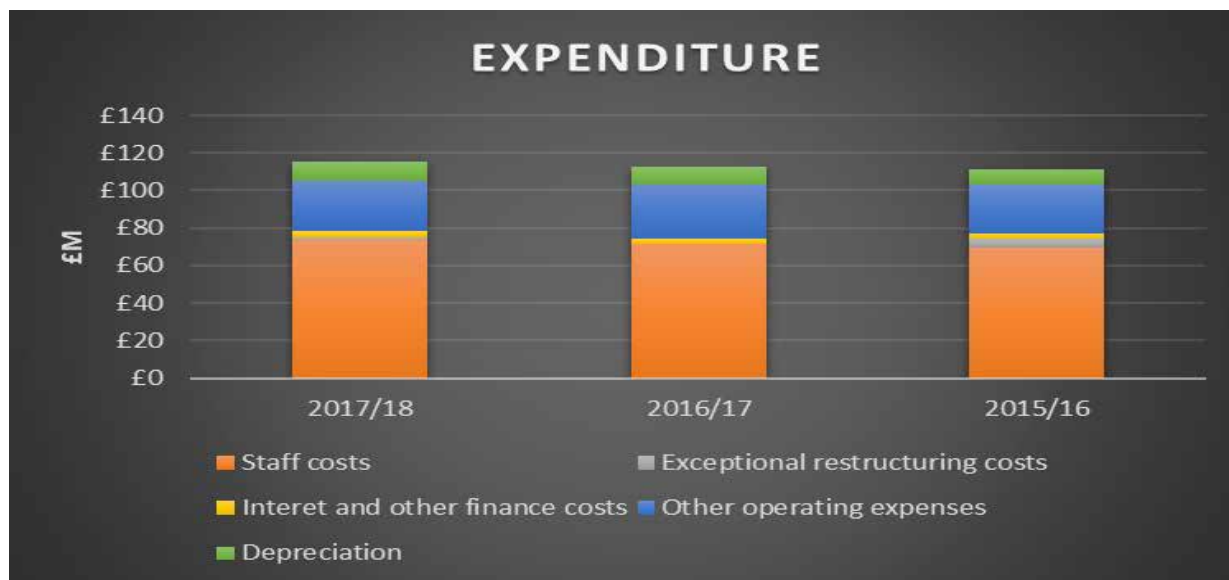
The University's main source of income is from teaching activities. Scottish Funding Council (SFC) grants recognised in the financial statements reflect the allocations announced in the SFC funding outcome agreements for Universities. In 2017/18 funding council grants of £65.8m were received which represents 58.6% of the University's total income. The University also receives an extra one-off capital maintenance allocation of £1.1m in the year which is treated as deferred capital grants.

Tuition fee and education contract income at a total level increased by 11.7% from £27.3m (2017) to £30.5m at 31 July 2018. Home & EU fee income increased by £1.2m (7.4%) reflecting an improvement in retention of students. The income from non-EU tuition fees increased from £7.1m (2017) to £8.8m (2018), an increase of 23.7%, mainly from the significant recruitment activity into the London campus and our students from the rest of the UK (RUK) grew to £1.7m (2017: £1.4m). Transnational Education (TNE) contracts grew 74% to £0.4m (£0.2m 2017) and Education Contracts remained steady in 2018 with levels almost unchanged from 2017.

Despite a difficult environment, the University has been able to maintain funding levels for research grant and contract income at £4.1m from £4.2m (2017) and other income remained level with prior year at £8.5m. Metrics on application and awards to measure and monitor and improve this important strategic activity are reviewed at each meeting of the Research and Enterprise Advisory Committee. Applications bid for the year are £30.6m with successful awards in year being £6.9m (22.6% success rate).

Expenditure

Overall University expenditure [Notes 7 to 10] has increased by £2.7m (2.4%) to £115.6m (2017: £112.9m). 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 £73.9m (2017: £71.6m) an increase of 3.2% against an average employee base of 1,318 (2017: 1,407). 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 £8.0m (2017: £7.3m).

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 66.0% of Income, up from 64% in 2017. Staff voluntary severance costs in the financial year were £0.9m (2017: £0.2m). The University will continue to manage the cost base and rebalance resource allocations to meet the requirements of the University's future sustainability plans while still delivering the aims of the Corporate Strategy 2020.

Other operating expenditure decreased by 6.4% to £26.9m (£28.8m 2017). This decrease reflects efficiencies being generated across the University in order to support the ongoing investment in key resources to secure the growth in income, a key aim of the Corporate Strategy 2020.

Balance Sheet

The University has total net assets of £87.4m as at 31 July 2018 (2017: £46.6m). Fixed Assets have increased by £71m largely due to the acquisition of the new Lanarkshire building together with fit out costs of buildings and laboratories. The creditors over one year have also increased as a result of the Lanarkshire Campus finance lease. The increase in net assets of £40.8m can largely be attributed to the University share of the accounting liability in the Strathclyde Pension Scheme reducing by £38.3m in year to £13.3m (2017: £51.6m). Unrestricted reserves represent 77.1% of total income.

Financial Review

Treasury

Cash at bank and deposits invested at 31 July 2018 was £16.3m (2017: £18.9m). This is after a drawdown of £5.0m from the new revolving credit facility and expending £15.1m for Lanarkshire. All treasury decisions are taken within the framework of the University's Treasury Management procedures. The underlying principle is that the University operates a medium-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. Our fund managers ensure compliance with our Ethical Investment procedure, 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 2018, the University had net liquidity days of 56 (2017: 66) and a liquidity ratio of 0.99 (2017: 1.2), which is in line with expectations given the significant levels of investment.

Capital Investments

During 2017/18, £83.0m was spent on capital, predominately in Leasehold buildings for Lanarkshire at £64m; with a further £13.6m spent on fit out costs including the sports gym and IT expenditure with the £5.4m balance of spend allocated to the ongoing capital projects of the estate and infrastructure.

Payment of Creditors

It is the University's policy to obtain the best terms of business from creditors, and thus there is no single policy as to the terms used. In agreements negotiated with suppliers, the University endeavours to include and abide by specific payment terms. UWS is committed to dealing fairly and professionally with all of our Suppliers. We aim to pay at least 95% of invoices within 30 days of receipt of a valid invoice. During 2017/18 96.7% of invoices were paid within the 30 day target. 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 2017/18 the liability decreased from £51.6m to £13.3m for reasons stated above.

The University continues to take the exemption permitted under FRS 102 to disclose the STSS Scheme as a defined contribution scheme 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 targets have been developed to reflect the ambitions of the Corporate Strategy 2020, but whilst recognised as challenging 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.



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 July 2018 and the SFC Financial Memorandum. Its purpose is to help the reader of the financial statements understand how these principles have been applied.

Statement of Compliance

A revised Scottish Code of Good Higher Education Governance was published in 2017 which replaced the 2013 Scottish Code of Good Higher Education Governance. Academic year 2017-2018 is considered a transitional year for compliance with the 2017 Code.

A short life working group, comprising student, staff and lay members of Court, was established to review, on behalf of the Court, the Higher Education Governance (Scotland) Act 2016 and the revised Scottish Code of Good HE Governance 2017 and their implications for the University. The working group made a number of recommendations to Court to ensure alignment with the Act and the Code.

In the opinion of the Court, the University complies with all the principles and provisions of the 2013 Scottish Code of Good Higher Education Governance and is still working to ensure compliance with the 2017 Code. Areas of the 2017 Code where there remains non-compliance are mainly in relation to amendments to the University's Statutory Instruments and minor procedural matters. The University is taking action to address these and expects to be fully compliant by 31 December 2020.

Governing Body Structures

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.

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.

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.

Court met four times in 2017/2018. Court also held a workshop to consider a high level vision for the Paisley Campus to 2025 and a strategic residential event.

In line with good practice, and an expectation of the Code, a range of activities are undertaken to review the effectiveness of the Court, including members' self-evaluation, 1-1 meetings with the Chair and an effectiveness of Court questionnaire. An externally facilitated review of effectiveness will be commissioned following implementation of changes to processes required as a result of implementation of the revised Code.

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 five 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; and Health, Safety and Sustainability Committee.

The **Policy and Resources Committee** met four times in 2017/2018. 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 five times in 2017/2018. The Audit and Risk Committee oversees the work of the internal and external auditors, reviewing the reports from the internal and external auditors and assesses their effectiveness. The University's internal and external 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 Auditor and/or the Internal Auditor on their own for independent discussions. An informal meeting of members of the Committee and the External Auditor is held annually at the conclusion of the October meeting.

The **Remuneration Committee** met three times in 2017/2018. 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. As a key strength of the process, the UWS "My Contribution" framework, which demonstrates performance linkages to the Corporate Strategy is used across the whole institution. Any performance related pay awarded to the senior leadership and executive teams, including the Principal, is calculated from this framework.

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 2017/2018. 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.

The Court, through its Governance & Nominations Committee, reviews the extent to which the size and composition of the Court remains fit for purpose and contributes to maintaining a coherent and effectively functioning Court in line with statutory requirements and the need for an appropriate range of skills and experience.

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 & 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.

Corporate Governance Statement (cont'd)

The Governance & 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 & Nominations Committee. An analysis of attendance during 2017/18 is set out at page 31.

The **Health, Safety and Sustainability Committee** met three times in 2017/2018. 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.

Following a review of current practice within the higher education sector and organisational changes within the University, in September 2017 it was agreed that the Honorary Awards Committee, previously constituted as a standing committee of Court, would report to the University Senate and that the membership of the Committee would continue to include court members but would be augmented to include two members of the Senate.

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

The Chair 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.

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 and conducts the appraisal of the Chair annually.

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.

Court has agreed procedures for the annual appraisal of the Chair of Court. The appraisal of the Chair of Court was conducted in autumn 2017 and reported to Court at its February meeting.

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 2017/2018. Court receives a report from Senate at each of its meetings and an invitation is extended to members of Court to attend Senate meetings.

Governor Development

The University is committed to governor development and sees it as an important part of the infrastructure to sustain high quality governance.

Induction arrangements for new members of Court were comprehensively revised in 2017 and now include 5 sessions supported by a range of institutional leads covering: the role of members of Court; Strategic Planning and Finance; Academic Quality, Academic Life and the Student Experience; Legal Compliance and Equality & Diversity; and Research and Enterprise and International Recruitment. As well as providing induction, all continuing members of Court are invited to attend these sessions as part of ongoing CPD activity.

To help with the familiarisation process in their first year on Court, governors are offered the opportunity to be paired with an experienced member of Court to assist them transition into the role.

Details of courses and governance briefings for the induction and further development of members of Court run by Advance HE are communicated to members, along with other appropriate events, in the regular communications with Court.

Other arrangements designed to keep members of Court up to date with University developments and throughout the sector include strategic presentation and discussion items; Campus Showcase events and the staff e-bulletin.

Corporate Strategy

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 University Executive, colleagues, students and key external stakeholders.

The University'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.

Work will shortly commence to develop a new Corporate Strategy for the University. An assessment of the Risk Appetite of the Court will be embedded within these deliberations.

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 auditor, which include recommendations for improvement.

The Audit & Risk Committee also receives periodic presentations from members of the University Leadership Team at which current key corporate risks, the means through which they are managed, and expected developments are discussed.

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 2018 meeting, the Court carried out the annual assessment for the year ended 31 July 2018 by considering a report from the Audit and Risk Committee, a report from the University's Internal Auditor, the University's externally audited financial statements and any notification of any relevant events since 31 July 2018.

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 2018 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 Primary Responsibilities of the Court

The Primary Responsibilities of Court were reviewed in the light of the revised Scottish Code of Good HE Governance. A revised Statement was approved by Court in April 2018 as follows:

- To protect the reputation and values of the institution;
- To ensure, in conjunction with the Senate, the quality of the institution's educational provision and adequate provision for the general welfare of students;
- To approve the mission and strategic vision of the Institution, its strategic plan, key performance indicators (KPIs) and annual budgets, ensuring that they have due regard to the interests of students, staff and other stakeholders, and monitoring performance in terms of these;
- To appoint the Principal & Vice-Chancellor as the Chief Executive Officer of the University and put in place suitable arrangements for monitoring his/her performance;
- To appoint the Secretary to the governing body; and
- To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk management, means of evaluating the governing body's own performance and clear procedures for handling internal grievances and "whistleblowing" complaints and for managing conflicts of interest.

The maintenance and integrity of the University's website is the responsibility of Court; the work carried out by the auditor does not involve consideration of these matters, and accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of the Court's Responsibilities for Accounting and the Financial Statements

In accordance with the University's formal governance arrangements, the Court is responsible for the administration and management of the affairs of the University and is required to present audited accounts for each financial year.

The Court considers that the University has adequate resources to continue its operations for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

The Court is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the accounts are prepared in accordance with the University's Order of Council, the Statement of Recommended Practice on Accounting for Further and Higher Education and other relevant accounting standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. In addition, within the terms and conditions of the Financial Memorandum agreed between the Scottish Funding Council and the University Court, the Court, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

In causing the accounts to be prepared, the Court has ensured that:

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

The Court has taken all reasonable steps to:

- ensure that funds from the Scottish Funding Council are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Scottish Funding Council may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University and prevent and detect fraud; and
- secure the economical, efficient and effective management of the University's resources and expenditure.

Membership of Court and Key Committees

The following were members of Court for all or part of the year ended 31 July 2018 or the period between the year end and up to the date of approval of these financial statements.

Court Member	Date of Appointment	Date of Retirement	Category of Membership
<i>Ms H Armstrong</i>		30/05/18	Student
<i>Ms L Barjonas</i>			Lay
Ms E Connolly		30/09/17	Lay
Mrs M Curran			Lay
Mr C Devlin			Lay
Mr R J Dinning		31/12/18	Lay
<i>Ms M Gibson OBE</i>			Lay
Ms A Gifford		30/09/18	Senate
<i>Mr A Gordon</i>			Lay
<i>Dr W Hatton</i>			Lay (Chair)
Mr H Henry			Lay
Ms M Hill	01/07/18	30/06/19	Student
Ms C Hunter	01/07/19		Student
<i>Mr F Jacob</i>	01/07/19		Student
<i>Mr D Johnstone</i>		30/06/18	Elected by all other staff
Professor C Mahoney			Principal and Vice-Chancellor
<i>Professor P Martin CBE</i>		30/03/18	Depute Principal
Mr A Munro	01/09/17		Lay
Professor C MacDonald			Lay (Vice Chair)
<i>Ms M McCusker</i>	01/11/18		Elected by All Other Staff
Ms A McKechin			Lay
Ms T O'Donnell			Lay
Professor S Olivier	01/05/18		Provost & Deputy Vice-Chancellor
Mr K Quinlan	01/09/17		Lay
Ms E Shotter		30/06/19	Student
Professor K Sloman			Elected by Academic Staff
Mr W Smith			Lay
Dr J Thompson			Senate

Attendance at Court and Committee Meetings for the year to July 2018

	COURT	Court Committees Membership				
		Policy & Resources Committee	Audit & Risk Committee	Remuneration Committee	Governance & Nominations Committee	Health, Safety & Sustainability Committee
Meetings in Year	4 meetings + Strategic Event	4 meetings	4 meetings	3 meetings	2 meetings	3 meetings
Ms H Armstrong	*100%	*100%			100%	
Ms L Barjonas	40%		50%		50%	
Ms L Connolly	-				*100%	
Ms M Curran	40%		50%			
Mr C Devlin	60%		75%			
Mr R J Dinning	80%	100%				
Ms M Gibson OBE	80%	75%				
Ms A Gifford	80%	75%				
Mr A Gordon	100%	50%		100%		66%
Dr W Hatton	100%	100%		100%	100%	
Mr H Henry	80%		100%			
Mr D Johnston	60%	75%				
Professor C Mahoney	100%	100%			100%	
Professor P Martin CBE	*100%	*100%			*100%	
Mr A Munro	100%		100%			
Professor C MacDonald	80%	100%		100%	100%	
Ms A McKechin	80%					
Ms T O'Donnell	100%				*100%	
Professor S Olivier	*100%	*100%			*100%	
Mr K Quinlan	100%					
Ms E Shotter	100%	*100%				
Dr K Sloman	100%					
Mr W Smith	40%	75%		100%		
Dr J Thompson	100%	100%			50%	

*appointed / retired mid year – figures shown are percentage of applicable meetings

The UWS graduation at Paisley Abbey on 4 July 2018 included a group of 10 students from partner institution the Siberian State Transport University, who graduated from our MSc International Management programme.





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 2018 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cash Flows and the 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 Financial Reporting Standard 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 as at 31 July 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, regulation 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Accounts Direction issued by the Scottish Funding Council.

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 University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 have 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 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 the Scottish Funding Council's Financial Memorandum with the University

In our opinion, in all material respects:

- funds from the Scottish Funding Council, grants and income for specific purposes and from other restricted funds administered by the University have, in all material respects, been applied only for the purposes for which they were received; and
- income has, in all material respects, been applied in accordance with the Further and Higher Education (Scotland) Act 1992, and where appropriate, with the Financial Memorandum with the Scottish Funding Council.

Matters on which we are required to report by exception

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

Responsibilities of the Court

As explained more fully in the Statement of the Court's Responsibilities for Accounting and the Financial Statements set out on pages 37-57, the Court (who are Trustees for the purposes of charity law) is responsible for the preparation of the financial statements which 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 liquidate the University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the Court, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the Court, as a body, those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Court, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Scott-Moncrieff". The signature is written in a cursive, slightly slanted style.

Scott Moncrieff Statutory Auditor

Scott-Moncrieff is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
25 Bothwell Street
Glasgow
G2 6NL

Date: 9 September 2019

Statement of Comprehensive Income for the year ended 31 July 2018

	Note	2018 £'000	2017 £'000
INCOME			
Tuition fees and education contracts	1	30,485	27,297
Funding body grants	2	69,037	71,614
Research grants and contracts	3	4,140	4,235
Other income	4	8,458	8,530
Investment income	5	149	132
Donations and endowments	6	59	51
TOTAL INCOME		112,328	111,859
EXPENDITURE			
Staff costs	7	73,945	71,628
Exceptional restructuring costs	7	938	156
Interest and other finance costs	8	3,615	2,587
Other operating expenses	9	26,947	28,783
Depreciation	10	10,202	9,792
TOTAL EXPENDITURE		115,647	112,946
DEFICIT BEFORE OTHER GAINS LOSSES		(3,319)	(1,087)
Gain on disposal of fixed assets		332	-
Unrealised surplus on revaluation of investments		404	338
DEFICIT FOR THE YEAR		(2,583)	(749)
Actuarial gain on pension plan		43,394	3,392
TOTAL COMPEHENSIVE INCOME FOR THE YEAR		40,811	2,643

Statement of Changes in Reserves for the year ended 31 July 2018

	Income & Expenditure	Revaluation	
	Unrestricted	Reserve	Total
	£'000	£'000	£'000
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
Deficit for the year	(2,987)	404	(2,583)
Other Comprehensive Income	43,394	-	43,394
Balance as at 31 July 2018	86,591	818	87,409

Balance Sheet as at 31 July 2018

	Note	2018 £'000	2017 £'000
NON CURRENT ASSETS			
Tangible assets	10	241,192	170,659
Investments	11	6,285	4,833
		247,477	175,492
CURRENT ASSETS			
Stock		72	79
Trade and other receivables	12	6,076	6,687
Cash and cash equivalents	13	16,263	18,895
		22,411	25,661
Creditors: amounts falling due within one year	14	(22,710)	(21,957)
Net Current Assets		(299)	3,704
TOTAL ASSETS LESS CURRENT LIABILITIES		247,178	179,196
Creditors: amounts falling due after more than one year	15	(139,118)	(73,149)
PROVISIONS			
Pension provision	16	(20,018)	(58,816)
Other provisions	17	(633)	(633)
TOTAL PROVISIONS		(20,651)	(59,449)
TOTAL NET ASSETS		87,409	46,598
RESERVES			
Income and expenditure reserve		86,591	46,184
Revaluation Reserve		818	414
TOTAL RESERVES		87,409	46,598

The Financial Statements on pages 37 to 57 were approved by Court on 9 September 2019 and were signed on its behalf by:



Waiyin Hatton
Chair of Court



Professor Craig Mahoney
Principal & Vice Chancellor

Statement of Cash Flows for the year ended 31 July 2018

	2018 £'000	2017 £'000
Cash flow from operating activities		
Deficit for the year	(2,583)	(749)
Adjustment for non-cash items		
Pension provision	3,252	3,994
Gain on Investments	(404)	(338)
Depreciation	10,202	9,792
Released deferred capital grants	(3,483)	(4,562)
Decrease in stocks	7	2
Decrease / (increase) in debtors	611	(830)
Increase / (decrease) in creditors	410	(26)
Increase/ (decrease) in provisions	1,343	(231)
Adjustment for Investing or financing activities		
Investment income	(149)	(132)
Interest payable	2,174	1,331
Gain on disposal of fixed assets	(332)	-
Net cash inflow from operating activities	11,048	8,251
Cash flows from investing activities		
Proceeds from the sale of fixed assets	2,600	-
Investment income	149	132
Payments made to acquire fixed assets	(17,261)	(6,043)
New non-current asset investments	(1,047)	(1,051)
Total cash flow from investing activities	(15,559)	(6,962)
Cash flows from financing activities		
Interest paid	(1,377)	(1,166)
Interest element of finance lease	(797)	(165)
New long term loan	5,000	-
Repayment of long term loans	(844)	-
Capital grants received	1,116	2,428
Repayments of amounts borrowed	(1,219)	(806)
Capital element of finance lease	-	(923)
Total cash flows from financing activities	1,879	(632)
(Decrease)/Increase in cash and cash equivalents in the year	(2,632)	657
Cash and cash equivalents at the beginning of the year	18,895	18,238
Cash and cash equivalents at the end of the year	16,263	18,895

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 applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Accounts Direction issued by the Scottish Funding Council and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2015). The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS102. The presentation currency is pounds sterling and the financial statements are rounded to the nearest £000. The University is a registered charity in Scotland, and its registered number is SCO02520.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed assets. The effect of events relating to the year ended 31 July 2018, which occurred before the date of approval of the financial statements by the University Court have been included in the financial statements to the extent required to show a true and fair view of the state of affairs as at 31 July 2018 and the results for the year ended on that date. The accounting policy of the University are set out below.

The preparation of financial statements in compliance with FRS102 requires the use of certain material accounting estimates. It also requires the Court 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. Going Concern Policy

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

4. Income recognition

Income from the sale of goods or services is credited to the Statement of Comprehensive Income 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 Comprehensive Income 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 Comprehensive Income 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 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 Comprehensive Income 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 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 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.

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.

5. 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 Statement of Comprehensive Income 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 2017.

6. 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.

7. 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.

8. 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.

9. 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 Statement of Comprehensive Income. 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.

10. Fixed assets

Fixed assets are stated at cost or 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 (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 in the period in which they are incurred.

11. 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.

12. Investments

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

13. Stock

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

14. Debtors

Short term debtors are measured at transaction price, less any impairment.

15. Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

16. 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.

17. 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.

18. Taxation

UWS is an exempt charity within the meaning of the Charities and Trustee Investment (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.

19. 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.

20. 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.

21. 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

	2018	2017
	£'000	£'000
Tuition Fees - Scotland and EU	17,842	16,609
Tuition Fees - RUK	1,713	1,399
Tuition Fees - Non- EU	8,779	7,098
Transnational Education	436	250
Short Course Fees	576	772
Total Fees paid by or on behalf of individual students	29,346	26,128
Nursing Education contract	1,139	1,169
	30,485	27,297

2. Funding Council Grants

	2018	2017
	£'000	£'000
Recurrent Grant from SFC		
Teaching	62,336	63,850
Research	2,795	2,674
Strategic Funds	723	881
Sub total SFC grant income received in year	65,854	67,405
Deferred Capital Grant released in Year		
Buildings	1,733	2,790
Equipment	1,450	1,419
	69,037	71,614

3. Research Grants and Contracts

	2018	2017
	£'000	£'000
Research Council	394	736
European Commission	1,693	718
UK Charities	394	467
Other grants & contracts	1,659	2,314
	4,140	4,235

4. Other Income

	2018	2017
	£'000	£'000
Residences, catering and conferences	4,928	4,547
Other services rendered	683	605
Released from deferred capital grants	300	573
Other income	2,547	2,804
	8,458	8,530

5. Investment Income

	2018	2017
	£'000	£'000
Interest receivable	83	79
Dividends receivable	66	53
	149	132

6. Donations

	2018	2017
	£'000	£'000
Unrestricted donations	59	51
	59	51

7. Staff Costs

	2018	2017
	£'000	£'000
Wages and salaries	56,286	54,574
Social security costs	5,607	5,481
Pension costs	12,052	11,573
	73,945	71,628
Exceptional restructuring cost	938	156

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 & Vice Chancellor

	2018	2017
	£'000	£'000
Salary	226	223
*Performance related payment	7	6
Emoluments in lieu of pension contributions	31	26
Employers pension contributions	5	7
	269	262

* PRP in 2018 relates to prior year performance

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.

The ratio of the remuneration of the Principal to the median salary of a University staff member is 6.02 (2017: 6.02).

Key Management Personnel

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 2018 (including any employer's pension contributions) was £1.273m (year ended 31 July 2017: £1.4m).

Remunerations of Higher paid staff Excluding Employers' NI and Pension contributions:

	2018	2017
£100,000 - £109,999	4	5
£110,000 - £119,999	4	3
£120,000 - £129,999	1	2
£130,000 - £139,999	1	-
£140,000 - £149,999	-	-
£150,000 - £159,999	-	1
Average staff numbers by major category:	2018	2017
Academic	543	547
Administrative	551	592
Other Including Clerical and Manual	178	217
Technical	46	51
	1,318	1,407

Court Members

The University Court members are the trustees for charitable law purposes. Due to the nature of the University's operations and the compositions of the Court, 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 Court may have an interest. All transactions involving organisations in which a member of Court may have an interest are conducted at arms 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 £2,867 (2017: £6,504).

8. Interest and Other Finance Costs

	2018	2017
	£'000	£'000
Bank interest	1,376	1,166
Finance lease interest	798	165
Net charge on pension scheme	1,441	1,256
	3,615	2,587

9. Other Operating Expenditure by Activity

	2018	2017
	£'000	£'000
Academic Departments	8,490	8,376
Academic Services	3,014	3,333
Research Grants and Contracts	2,163	1,911
Residences, Catering and Conferences	1,406	1,702
Premises	4,086	4,009
Administration	7,417	8,956
Other services rendered	371	496
	26,947	28,783

Other Operating Expenses Include:

Auditor's Remuneration: External Audit - Audit Services	41	41
Auditor's Remuneration: External Audit - Tax Services	1	-
Operating lease costs	171	-

10. Fixed Assets

	Freehold Land	Leasehold Buildings	Freehold Buildings	Fixtures, Fitting & Equipment	Assets in Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 August 2017	9,847	-	166,940	73,026	2,913	252,726
Additions	-	63,600	1,120	3,446	14,837	83,003
Disposals	(2,268)	-	-	-	-	(2,268)
Transfers	-	-	-	779	(779)	-
At 31 July 2018	7,579	63,600	168,060	77,251	16,971	333,461
Depreciation						
At 1 August 2017	-	-	25,014	57,053	-	82,067
Charge for year	-	294	5,991	3,917	-	10,202
At 31 July 2018	-	294	31,005	60,970	-	92,269
Net Book Value						
As At 31 July 2018	7,579	63,306	137,055	16,281	16,971	241,192
Assets held under finance leases included in the total above	-	63,306	-	4,598	-	67,903
Net Book Value						
As At 31 July 2017	9,847	-	141,927	15,973	2,912	170,659
Assets held under finance leases included in the total above	-	-	-	3,978	-	3,978

11. Investments

	Listed £'000	Unlisted £'000	2018 £'000	2017 £'000
Balance at 1 August	4,805	28	4,833	3,463
Purchase of investments	1,000	-	1,000	1,000
Re-investment of dividends	48	-	48	32
Write down of investments	-	-	-	-
Gain on revaluations	404	-	404	338
Balance at 31 July	6,257	28	6,285	4,833

12. Trade and Other Receivables

	2018	2017
	£'000	£'000
Amounts falling due within one year:		
Trade Debtors	62	747
Other Debtors	30	31
Prepayments and accrued income	5,985	5,909
	6,076	6,687

Financial instrument assets comprise: Trade debtors, other debtors and accrued income £1.492m. (2017: £2.337m).

13. Cash and Cash equivalents

	2018	2017
	£'000	£'000
Bank Deposits	601	5,887
Cash equivalents	15,662	13,008
	16,263	18,895

14. Creditors: Amounts Falling Due Within One Year

	2018	2017
	£'000	£'000
Unsecured loan	884	844
Obligations under finance leases	1,412	1,043
Trade payables	3,482	2,337
Other creditors and deposits	1,585	1,370
Social security and other taxation payable	1,604	1,577
Accruals and deferred income	10,515	11,492
Deferred capital grants	3,228	3,294
	22,710	21,957

All current finance leases reflect investment relating to IT equipment and the new campus development in Lanarkshire.

15. Creditors: Amounts Due After One Year

	Obligation under Finance Lease	Loan Repayment	Deferred Capital Grant	Total 2018
	£'000	£'000	£'000	£'000
Due between one and two years	1,510	919	2,094	4,523
Due between two and five years	2,105	3,048	5,897	11,050
Due after five years	63,559	21,850	38,136	123,545
	67,174	25,817	46,127	139,118

	Obligation under Finance Lease	Loan Repayment	Deferred Capital Grant	Total 2017
	£'000	£'000	£'000	£'000
Due between one and two years	1,079	884	3,228	5,191
Due between two and five years	1,941	2,905	6,108	10,954
Due after five years	-	17,912	39,092	57,004
	3,020	21,701	48,428	73,149

The University has a loan facility of up to £29.5 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
- £5.0m 2.85 % variable for 3 to 5 years

The total loan interest charged in the year was £1.187m (2017: £1.166m).

Financial instrument liabilities comprise: Loans, obligations under finance leases, trade payables, other creditors and accruals £104.877m (2017: £36.244m).

16. Pension Provisions

	SPF Liability	Enhanced Pensions	USS Deficit	Total
	£'000	£'000	£'000	£'000
As at 1 August 2017	51,589	7,174	53	58,816
Utilised in year	(47,791)	(859)	(9)	(48,659)
Additions in year	9,462	317	82	9,861
As at 31 July 2018	13,260	6,632	126	20,018

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:

	2018	2017
	£'000	£'000
SPF current and past service cost	8,021	7,326
STSS contributions paid	3,951	4,191
USS contributions paid	80	53
	12,052	11,570

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 employers' contribution rate was 17.2% in year ended 31 July 2018.

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 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 2018, the percentage was 18% (2017: 18%).

Strathclyde Pension Fund

The Strathclyde Pension Fund provides benefits on final pensionable salary for employees of local government and some other institutions. This scheme, a multi employer defined benefit scheme, covers both past and present employees. A FRS102 valuation of the University's benefit obligations has been estimated by a qualified actuary as at 31 July 2018. The employer contribution rate for the period 1 August 2017 to 31 July 2018 was 19.3% of pay. The employee contribution is dependent upon their actual pay and contribution rates range between 5.5% and 12% of pay. There were no outstanding pension contributions at the year end.

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	2018	2017
Equities	64%	71%
Bonds	22%	14%
Property	11%	11%
Cash	3%	4%

Investment Returns	2018	2017
Actual Returns from 1 July 2017 to 30 June 2018	7.2%	18.6%
Total Return from 1 August 2017 to 31 July 2018	8.5%	13.6%

Financial Assumptions	2018	2017
Discount rate	2.8%	2.7%
Pensionable salary growth	3.6%	4.5%
Pension Increase Rate	2.4%	2.5%

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2016 model with an allowance for smoothing of recent mortality experience and long term rates of 1.5% p.a. for males and 1.25% p.a. for females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	21.4 years	23.7 years
Future Pensioners	23.4 years	25.8 years

The following amounts at 31 July 2018 were measured in accordance with the requirements of FRS102:

Year ended 31 July 2018

	2018	2017
	£'000	£'000
Opening assets and liabilities		
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 start of year	(51,589)	(50,987)
Current service cost	(7,986)	(7,262)
Past service cost	(35)	(64)
Total Service Cost	(8,021)	(7,326)
Interest income on plan assets	4,903	3,807
Interest on defined benefit obligation	(6,344)	(5,063)
Total net interest	(1,441)	(1,256)
Total defined benefit cost recognised	(9,462)	(8,582)
Cashflow from employer contributions	4,135	4,327
Contributions in respect of unfunded benefits	262	261
Expected closing position	(56,654)	(54,981)
Changes in financial and demographic assumptions	15,303	(14,300)
Other experience	20,919	(27)
Return on assets excluding amounts included in net interest	7,172	17,719
Total re-measurements recognised in Other Comprehensive Income	43,394	3,392
Fair value of plan assets	194,494	181,038
Present value of funded liabilities	(203,652)	(228,257)
Present value of unfunded liabilities	(4,102)	(4,370)
Net liability at end of year	(13,260)	(51,589)

17. Provisions for Liabilities

	TUPE Liability £'000	Dilapidation £'000	Total £'000
As at 1 August 2017	150	483	633
Utilised in year	-	-	-
Additions 2017/18	-	-	-
As at 31 July 2018	150	483	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.

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

	2018 £'000 CF	2018 £'000 DF	2018 £'000 NMF	2017 £'000 CF	2017 £'000 DF	2017 £'000 NMF
Funds Brought Forward from previous year	-	-	-	-	-	-
Refunded to SAAS	(4)	(25)	-	(17)	-	(48)
Funds Received in Year	866	938	91	877	901	98
Expenditure	(773)	(1,002)	(91)	(601)	(1,160)	(50)
Virements	(89)	89	-	(259)	259	-
Funds Carried Forward at 31 July 2018	-	-	-	-	-	-

The Childcare and Discretionary Funds are available solely for students and are provided by the Students Award Agency Scotland. The Nursing and Midwifery Fund is provided by the Scottish Government specifically for the support of nursing and midwifery students. The University acts only as paying agents. The grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

19. Capital Commitments

The University has no capital commitments as at 31 July 2018.

20. Operating lease commitments

At year end total future minimum payments on operating leases were as follows:

	2018 £000	2017 £000
Due within 1 year	169	-
Due between 1 and 2 years	169	-
Due between 2 and 5 years	281	-
	618	-

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

– recognised by THE in 17-18 as being in their top 600 universities worldwide

Times Higher Education Young University Rankings 2018

– officially recognised in the THE's top 150 universities under 50

The Times and Sunday Times Good University Guide 2018

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

Times Higher Education Leadership & Management Awards 2018

– shortlisted in the Knowledge Exchange/Transfer Initiative of the Year for our innovation in ultrasound sensors

Herald Higher Education Awards 2018

– shortlisted in Innovative Technology for our immersive education work and in Widening Access for our early years education initiative

Guardian University Awards 2018

– shortlisted in Course & Curriculum Design for our immersive education work; and Principal Professor Craig Mahoney shortlisted as an Inspiring Leader

PIEoneer Awards 2018

– shortlisted in Digital Innovation of the Year for our immersive education

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





Our Campuses

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Glasgow, G2 4BG

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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