

UNIVERSITY of
STIRLING



Annual Report and Financial Statements

2021-2022

BE THE DIFFERENCE

Disclaimer Liability: The University of Stirling reserves the right without notice to vary the content of information described in this publication and to modify as seems appropriate. The University is a registered trademark. All information correct at time of going to print. © University of Stirling (2022). All rights reserved.



Contents

Principal's Introduction	5
Strategic Report	6
Financial Performance	18
Corporate Governance	24
Accounting Responsibilities of the University Court	27
Independent auditor's report to the Court of the University of Stirling (the "University")	29
Statement of Accounting Policies	32
Consolidated and University Statement of Comprehensive Income for the year ended 31 July 2022	40
Consolidated and University Statement of Changes in Reserves	41
Consolidated and University Statement of Financial Position as at 31 July 2022	42
Consolidated Statement of Cash Flows for the year ended 31 July 2022	43
Notes to the Financial Statements	44
Composition of Committees concerned directly with Finance	66
The University Court	67



Principal's Introduction

The academic year 2021/22 saw the University make important progress as it continued its transition from the challenges posed by COVID-19. The impact of the pandemic will continue to be felt across the higher education sector in the years ahead, however, as demonstrated over the past 12 months, Stirling continues to be a destination of choice for students and staff from around the world, thanks to our reputation for delivering high quality learning and teaching, and innovative, impactful research. In spite of the prevailing challenges of COVID-19, the University enrolled its highest ever number of international students.

In autumn 2021, staff and students began to return more fully to campus with group teaching, social events and sporting activities making a welcome return. By April 2022, we were able to host our first in-person graduation ceremonies since the pandemic with a further 10 graduation ceremonies taking place over the summer, including celebrations for our 2020 and 2021 graduates whose ceremonies had to be postponed because of COVID-19. These events were an opportunity to mark the fantastic achievements of our students and graduates whose studies took place in the most challenging of contexts, as well as recognising the enormous efforts made by academic and professional services colleagues whose support undoubtedly contributed to their success.

Our facilities were enhanced by the opening of our Campus Central development, providing Stirling students with a modern, connected, and welcoming space for learning and socialising. With its mixture of retail space, vibrant places to eat and connections into the Macrobert Arts Centre, this investment in a first-rate student experience will continue to support generations of students. Campus Central is a key component of our capital development masterplan and complements our new Sports Centre which opened in 2020 and provides world-class facilities to our campus community, as well as our performance athletes. Twenty of those athletes – a record number – competed at the 2022 Commonwealth Games in Birmingham, returning with 16 medals.

The University's research strengths were recognised by our robust standing in the Research Excellence Framework, which found that 87% of Stirling research has an outstanding or very considerable impact on society, while more than 80% of our research is world-leading or internationally excellent. More so than ever, Stirling research is making a difference, challenging ideas and changing lives for the better.

In November 2021, Scotland's International Environment Centre became the first of three University projects funded

through the Stirling and Clackmannanshire City Region Deal to be launched, putting the University at the heart of the global environmental debate. This was followed by the announcement that the University will receive a further £7.25 million in City Region Deal funding to create an Intergenerational Living and Innovation Hub. With more than half of the Deal's £90.2 million government investment supporting University-led projects, it's clear that Stirling is an anchor for the Forth Valley's regional economy, while making a distinct contribution to productivity and economic growth across Scotland and the UK. This initial investment is already leveraging funding from additional sources, meaning we can look with confidence to the opportunities that lie ahead.

In a year in which the world emerged cautiously from the pandemic, the University has not only weathered the storm, but achieved remarkable milestones while laying the foundations for future success. It is in that spirit that we will move forward.



A handwritten signature in black ink, appearing to read 'G McCormac', written in a cursive style.

Professor Sir Gerry McCormac
Principal and Vice-Chancellor

Strategic Report

Overview

Who we are and what we do

The University of Stirling is an outward-looking international university, with a global reputation for providing high-quality education with a purpose and carrying out research that helps to shape society. We are an agent for change and strive to create impact in everything we do. We deploy innovative teaching practices and learning infrastructure in order to provide the best possible environment to support student learning. Our aim is to unlock the full potential of the 17,000 students that study across a range of undergraduate and postgraduate programmes each year, and to equip them with the skills to thrive as global citizens in our fast-moving world.

Our vision is to be recognised across the world as a university that addresses the needs of society through innovative interdisciplinary research. We are proud that our work is already making a positive impact on people's health, education and wellbeing, and we are working hard to do even more through research that is embodied within three major themes: Cultures, Communities and Society; Global Security and Resilience; and Living Well.

Our governance structure overview

The University of Stirling was established by Royal Charter (RC 000669) in 1967 and is a charity registered in Scotland with the Office of the Scottish Charity Regulator (SC011159). All of its surpluses are reinvested to further the charitable aims set out in its Royal Charter.

The Charter outlines the role of the University and how the University should be governed. In accordance with the Charter, Court is the governing body of the University, and has overall responsibility for the management of resources, the ongoing strategic direction and the approval of major developments. University Court also receives regular reports from Executive Officers on the operations and delivery of the University's business.

Academic Council is the body responsible for the scholarly (teaching and research) work of the University and for the regulation and superintendence of the education, discipline and welfare of the student body. The University's corporate governance arrangements and a list of the members of the University Court and Committees during the year ended 31 July 2022 can be found on pages 66 to 67.

Our structure and students

The majority of operations are carried out at the University's main Stirling campus which is renowned for its naturally beautiful setting. To support effective delivery of learning,

teaching and research activities, the academic structure is organised into five faculties, each of which comprises multiple departments, institutes and centres. In addition, the Institute for Advanced Studies provides a hub for Stirling's thriving research community, promoting interdisciplinary research across the University, from postgraduate research students and post-doctoral and early career researchers, to senior researcher cohorts. Academic activities are supported by integrated professional services.

The University's academic delivery is broadened by a series of collaborative partnerships, based in the UK and across the globe. A range of academic and English preparation courses for international students is offered through the INTO-University of Stirling joint venture, hosted at the purpose-built, on-campus INTO Centre. The University has also cultivated and expanded the number of overseas partnerships, facilitating delivery of university programmes at partner locations. These include in Singapore (Singapore Institute of Management), China (Hebei Normal University, University of the Chinese Academy of Social Sciences) and Spain (Universitat Pompeu Fabra).

We have a diverse and vibrant community of staff and students from more than 135 countries. In line with previous years, the majority of our students came from within the United Kingdom in 2021/22, while representation from international students increased. An overview of the student population across faculties is presented in Table 1.

Table 1 – Student headcount by faculty for academic year 2021/22 (all study locations)

Faculty	Headcount 2021/22
Faculty of Arts and Humanities	3,953
Faculty of Health Sciences and Sport	3,313
Faculty of Natural Sciences	3,520
Faculty of Social Sciences	2,749
Stirling Management School	3,645
Grand Total	17,180

Excludes 331 students studying at INTO

Throughout the period of the current Strategic Plan 2016-2021 and associated Strategic Plan Addendum 2021-2023, the University has made significant progress against its ambition to increase unregulated student recruitment as one means of diversifying income streams. Within a challenging external environment, the University has this year achieved its largest ever student population for both undergraduates from the rest of the UK (RUK) and for overseas postgraduate-taught (PGT) students. The number of overseas PGT students has

grown by 167% since the 2014/15 baseline year within the current Strategic Plan, enabled by cross-institutional activity to optimise the portfolio across the autumn and spring intake, and enhanced marketing and recruitment activity.

Widening access to higher education

The University is a place where everyone is treated with respect and where ability, not background, is valued. As such, widening access to higher education is of paramount importance to the University. In 2021/22, 30% of Scottish-domiciled undergraduate entrants came from the 40% most deprived (MD40) postcodes, and 13% of the same entrant group were from the MD20 region (20% most deprived postcodes) – with the University continuing to exceed access targets set by the Commission on Widening Access.

Activity in 2021/22 has focussed on the development of an overarching Widening Access Strategy to build on the University's positive actions and trajectory to date. Key strategic objectives within the strategy include promoting accessible routes to higher education, fair admissions, transition and induction, and retention and support. Throughout 2021/22 the University has continued to develop internal mechanisms to support widening access ambitions. In recognition that not all applicants have the same opportunities, the University continues to offer a contextual approach towards admissions that assesses UCAS applications alongside personal and educational circumstances. For applicants who are carers, have been care-experienced, are estranged, and/or are from an MD20 postcode area, the University offers minimum entry requirements. These are actively promoted as part of the University's aim to broaden the range of applicant information provided to widening access students. Furthermore, through Scotland's Community of Access and Participation Practitioners (SCAPP), Stirling is the host University for the Development Coordinator role. The purpose of this is to set up and drive the national Widening Access and Participation Network for Scotland. The University is, therefore, at the centre of this developing network, along with schools, colleges, the voluntary sector, professional bodies and employers.

Our strategic priorities

The University's current Strategic Plan 2016-2021 was approved by University Court in December 2015, with an extension to 2023 approved in 2020/21. The Strategic Plan and Addendum 2021-2023 can be accessed at stir.ac.uk/about/our-vision/our-strategy

The plan is ambitious, and at its launch we articulated that we were setting our aims high. The 2021/22 academic year has continued to face challenges and disruption relating to the COVID-19 pandemic, with the removal of restrictions taking place in April 2022. The operational and financial challenges as a consequence of the pandemic have continued and brought about a necessary rethink of aspects of the institutional delivery model and how to build for the future. Steps taken earlier in the life of the Strategic Plan, such as investment in internationalisation and partnerships, have provided a solid foundation upon which to not only recover from the pandemic but also to develop strongly in the years that follow.

The key underlying message of the plan is that we aim to be a globally connected university. We will continue to build and further strengthen our international links by connecting with partner universities, organisations and people around the world; producing research with universal relevance and impact; and graduating students as global citizens who will play a leadership role in their communities.

Within the 2016-2021 Strategic Plan and extended within the 2021-2023 Strategic Plan Addendum, the University set three overarching institutional objectives to focus on the steps needed to achieve our goals. These aims are to:

- Be one of the top 25 universities in the UK
- Increase our income by £50 million
- Enhance our research profile by 100%

These objectives are underpinned by a detailed set of operational strategies and performance measures that are monitored by University Court.

Strategic Plan Key Performance Indicators (KPIs) and associated 2021/22 performance

The University's Strategic Plan 2016-2021 set ambitious goals and "stretch targets" to drive institutional activity and progress. Against the backdrop of continued disruption and uncertainty brought by the pandemic, the University has this year made significant progress in achieving a range of institutional targets and milestones.

Underpinning the 25-50-100-i ambitions are a series of KPIs. Each Strategic Plan indicator is categorised using a RAG status (red, amber, green) to indicate performance. At the end of 2021/22, 14 Strategic Plan indicators were assigned 'green' RAG status, nine were assigned 'amber' RAG status and one was assigned a 'red' RAG status.

Be one of the top 25 universities in the UK									
		Baseline	Actual	Actual	Actual	Actual	2021/22 performance		% change
		14/15	17/18	18/19	19/20	20/21	21/22 Actual	21/22 Target	2014-2022
Student Satisfaction (overall satisfaction)	NSS	86%	84%	83%	87%	81%	80%	88%	-7.4%
	PTES	90%	84%	83%	78%	85%	84%	85%	-6.7%
	PRES	85%	85%	78%	78%	80%	81%	85%	-4.7%
Teaching Satisfaction	NSS	88%	86%	84%	87%	84%	82%	88%	-6.3%
Assessment and Feedback	NSS	69%	71%	74%	77%	71%	69%	78%	-0.1%
Employability*	Positive Destination	95.6%	97.1%		95.7%	92%	94%	>97%	-1.4%
	Grad-level job	77.2%	79.2%		77.3%	74%	75%	80%	-3.5%
Non Continuation**	HESA	-	6.8%	9.2%	8.7%	4.9	TBC	<7%	-
Entry Tariffs***	Complete University Guide	376	162	162	163	169	188	169	-

* The Graduate Outcomes survey has replaced DLHE and therefore employability data from 2019/20 is not comparable with previous years.

** HESA changed the non-continuation methodology in 2019/20 – the changes have been back-dated to 2015/16.

*** UCAS changed the tariff methodology for the 2017 admissions cycle to accommodate a wider variety of qualifications. Previous tariff scores are from CUG but 2021/22 is internal and will likely decrease following adjustments made by league table compilers.

Ambition

The University measures success of the aim to be “one of the top 25 universities in the UK” against a range of performance indicators measuring student satisfaction and student success. The individual metrics aim to retain or reach top quartile performance.

Performance and Enabling Activities

Delivering a seamless learner journey and a high-quality student experience have remained at the core of institutional priorities throughout the turbulent period brought about by the pandemic. Learning from the experiences of the pandemic, the University has developed a blended learning approach taking advantage of Technology Enabled Education (TEE) which focuses on engagement and connection by building and maintaining vibrant communities.

The success of this approach is reflected in a continued strong performance in student satisfaction across the National Student Survey (NSS), the Postgraduate Taught Experience Survey (PTES) and the Postgraduate Research Experience Survey (PRES). For the NSS, the University was ranked amongst the top 30 in the UK for overall satisfaction¹. Even with this strong performance, overall satisfaction in 2022 did decline slightly as part of a sector-wide trend reflecting ongoing challenges throughout the period of the pandemic. Despite this, the University still performed above the UK and Scottish sector averages in seven of the nine question themes. Teaching satisfaction scores place Stirling 7th in Scotland, 26th in the UK and above both the Scottish average (81.6%) and the UK average (80.1%). Across the sector, scores relating to assessment and feedback have been long-standing areas of improvement and a decline can be observed year-on-year across the sector. It is within this context that the University placed 8th in Scotland. Strong results were also recorded within PTES, with the University remaining above the UK sector average (83%) and the Scottish average (79%).

Alongside the positive student satisfaction scores, the University also secured improvements in non-continuation as part of its aim to deliver seamless learner journeys. A non-continuation rate of 4.9% improves significantly on the previous performance of 8.7% and demonstrates a year-on-year improvement since 2018/19.

In addition to providing an excellent student experience and encouraging high retention rates through a community-focussed approach, the University has this year achieved improvements within the Graduate Outcomes survey, which provides outcomes of leavers from the 2019/20 cohort (surveyed 15 months after completion). These results demonstrate that 94.3% of respondents from Stirling are in a positive destination 15 months after completion (employment, unpaid work or further study), an increase on the previous year. Additionally, the proportion of all UK-domiciled graduates entering a graduate-level job increased to 74.5% in the 2019/20 results.

This academic year saw the launch of a new hub for our university community. The completion of the £23m Campus Central project was formally marked by a visit from the Minister for Higher Education and Further Education, Youth Employment and Training. As well as delivering a three-storey extension to the Andrew Millar building and increasing social and study spaces, the project has delivered the campus transport hub, a revitalised Atrium space and a landscaped Queen's Court. This space will enable the University to continue to deliver an inclusive and welcoming space for work and study in the years to come.

As well as recognising the importance of bringing the University community together, the need to adapt traditional working models to reflect the post-pandemic environment has this year been considered. To optimise organisational agility, resilience and growth, and support staff wellbeing, a new agile working framework that focusses on performance has been successfully launched.

Maintaining a strong commitment to health and wellbeing is core to the University's future success, and this will continue to be enabled by the £20m sports facilities redevelopment launched last year. The University's sporting excellence was recently exemplified on the global stage at both the summer and winter Olympic Games with six Stirling athletes selected to compete at the Summer Olympics, returning with five medals. At the Winter Olympic Games, a Stirling athlete and several graduates achieved a gold and silver for Team GB. Most recently at the 2022 Birmingham Commonwealth Games, 20 athletes from the University achieved a record 16 medals for swimming. In addition, a new Mental Health Strategy was launched in partnership with the Students' Union to foster and nurture a culture that respects, protects, promotes and enhances the mental health and wellbeing of all students and staff to enable them to thrive and achieve their full potential.

¹Based on institutions ranked within the Guardian Good University Guide and excluding small specialist institutions.

Increase our income by £50m									
		Baseline	Actual	Actual	Actual	Actual	2021/22 performance		% change
		14/15	17/18	18/19	19/20	20/21	21/22 Actual	21/22 Target	2014-2022
University Income*	Total (£k)	£109,341	£121,090	£126,001	£121,337	£124,478	£155,255	£142,000	42.0%
Research Income (spend)	Income (£k)	£11,529	£11,466	£11,915	£11,762	£13,289	£17,366	£15,400	50.6%
Commercial Services	Total (£k)	£16,840	£19,576	£20,693	£15,142	£7,937	£16,053	£16,800	-4.7%
Unregulated Student Recruitment	PGT Overseas (fte)	498	526	549	512	735	1,331	910	167.3%
	PGT Home (fte)	710	1,053	1,109	1,134	1,220	1,214	900	71.0%
	PGT EU (fte)						71	100	-
	UG EU (fte)						61	150	-
	UG RUK (fte)	645	963	942	895	903	971	900	50.5%
	UG Overseas (fte)	256	371	494	557	460	579	570	126.2%
TNE Tuition Fee Income**	Total (£k)					£2,218	£4,421	£3,550	-

* Total income includes furlough income from 2019/20 but it is excluded in the Commercial Services row.

** The TNE metric was updated in 2020/21 to include only TNE income, rather than TNE and online income.

Ambition

A key priority for the University is to diversify the institution's income streams and to grow income from unregulated student recruitment, research income and commercial services.

Performance and Enabling Activities

Within a challenging external environment, including the long-term impacts of the global COVID-19 pandemic, the University has substantially increased its unregulated student population and has this year secured the largest ever postgraduate taught (PGT) overseas cohort, and the largest rest of UK (RUK) undergraduate population. The 2021/22 cohort of PGT overseas represents a growth of 167% since the baseline year of the Strategic Plan (2014/15). This success was enabled by successful reviews of the postgraduate programme portfolio across both the autumn and spring intakes. Four of the University's faculties increased their cohort size by at least 75% since 2020/21 and Stirling Management School PGT overseas cohort grew by 93%.

The 2021/22 academic year is the first year that has seen changes to the fee status of EU students following Brexit, as such this can be considered a new unregulated market for the University and performance in 2021/22, although lower than target, sets a foundation for the University to build new markets in this area.

Partly as a result of increases in the unregulated student population, the University has achieved significant growth in institutional income across the period of the Strategic Plan, with the 2021/22 position almost £31m higher than the 2020/21 position and £44m higher than the Strategic Plan baseline year (2014/15). Consolidating this growth will be key in the coming academic year as the University develops a new strategic plan.

As a global institution, the University of Stirling has established a diverse portfolio of innovative and productive partnerships with organisations across the world. As a result of a healthy intake across a range of international partnerships programmes, the University has successfully doubled its TNE tuition fee income since 2020/21. This included a new programme launched at the Singapore Institute of Management (SIM) and a new partnership launched with Chengdu University in China.

Enhance our research profile by 100%									
		Baseline	Actual	Actual	Actual	Actual	2021/22 performance		% change
		14/15	17/18	18/19	19/20	20/21	21/22 Actual	21/22 Target	2014-2022
Research Postgraduates	Home/EU (fte)	250	280	278	275	277	246	240	-1.6%
	EU (fte)						3	10	
	Overseas (fte)	110	87	105	88	105	108	120	-2.1
Research Grant and Contract	Award Value (£k)	£13,264	£11,633	£15,066	£15,872	£26,509	£13,668	£16,400	3.0%
Employer Reputation	QS World Ranking	401	501	501	501	501	501	<450	-25%
Academic Reputation	QS World Ranking	401	501	501	501	501	501	<450	-25%
Citations	QS World Ranking	401	229	321	339	319	344	320	14%

Ambition

Stirling is one of the UK's smallest research-intensive universities, with ambitions to double our research profile. A suite of performance indicators underpins this ambition measuring: postgraduate research student recruitment, Research Grant and Contract income and international research reputation.

Performance and Enabling Activities

Sustained activity to broaden the University's research profile has continued in 2021/22, the results of which are reflected in the very positive REF 2021 results. At an overall level, the University has secured improvements across all three pillars of REF assessment and 87% of the University's research is considered to be of the highest standard. As a result, the University placed joint 4th in Scotland and joint 43rd in the UK for research impact according to the Times Higher Education REF 2021 rankings.

Some of the key achievements within the REF 2021 results include the Institute of Aquaculture ranking 1st in the UK in the field of Agriculture, Veterinary and Food Science for impact – with 100% of its research having outstanding impact. In addition, 100% of research from Biological and Environmental Sciences was rated as having either outstanding or very considerable impact, placing it 12th in the UK for Geography and Environmental Studies. Across the University's portfolio there was also significant success for Social Sciences which ranked 3rd in Scotland and 23rd in the UK for Social Work and Social Policy. This recognition underlines the positive impact that the University's research has in tackling real-world challenges such as climate change, food security and an ageing population.

The success of the REF results is also reflected in the University achieving a milestone achievement in its research income, with opportunities to continue to grow this in future years, both from a strong research grants pipeline, and through the University's key role within the Stirling and Clackmannanshire City Region Deal. Scotland's International Environmental Centre, the first project as part of City Region Deal, launched this year at Forth Valley College in Alloa, will drive the creation of a net-zero regional economy across the Forth Valley and unlock new opportunities for employment and skills development. Plans have also now been approved for a new £17m world-class research and innovation facility at the University. The National Aquaculture Technology and Innovation Hub, which builds on the University's internationally renowned Institute of Aquaculture, will bring together experimental aquatic facilities with state-of-the-art laboratories and space dedicated to business incubation and acceleration.

The milestone achievement of research income can be attributed to a changed approach to RGC awards, targeting large, thematic, solution-focused grants with enhanced support available to those applications. This approach has resulted in a very strong award pipeline for future years, supporting future research income streams.

To ensure that the University's postgraduate research (PGR) offer is competitive, the Institute for Advanced Studies has implemented a Postgraduate Research Student Community Development Strategy which aims to enhance the distinctiveness and strategic alignment of the University's offer to PGR students. It is anticipated that this will support future recruitment following a mixed recruitment cycle in 2021/22.

Our priorities for the future

The University is entering into the final year of the Strategic Plan Addendum 2021-2023 which set the strategic direction and overarching framework for institutional priorities across the period. The coming year will be one of transition as the University undertakes the development of a new strategic plan and associated enabling strategies while completing the objectives of the existing Strategic Plan. The development of the next Strategic Plan will take place over the coming academic year and will be subject to an extensive student and staff consultation exercise.

At the forefront of priorities in the coming year will be the requirement to consolidate the rapid growth in unregulated student numbers and research award capture. The University has proactively realigned resources and will invest to ensure that an excellent student experience continues to be achieved in the context of an evolving student population in terms of scale and demographic.

As well as the development of a new strategic plan, key institutional priorities in the coming year will include:

- **Research and Innovation Performance** – continue to strengthen the vibrant institutional research culture, which develops high quality, mission-focused research and attracts top researchers and collaborative partners. The University will progress and deliver against Stirling and Clackmannanshire City Region Deal ambitions and associated research themes; consolidate the positive trend of research grant and contract award capture and deliver against a cohesive vision and scale of ambition for Postgraduate Research (PGR) growth.
- **Student Experience and Teaching Delivery** – to develop and deliver a well-rounded student experience, cognisant of the much-changed student intake demographic and the need for greater intercultural awareness. Student focused professional services will be delivered which respond to the growing and increasingly diverse student body, and service improvement will be informed by engagement with student feedback. This priority will look to harness the best that digital and face-to-face experiences have to offer, with the profile of support evolving to meet digital and academic skills needs. Regional, national and international employer engagement will be improved to enhance student learning and graduate outcomes.
- **Campus Life** – to create an integrated physical and virtual campus experience through priority infrastructure projects in conjunction with the ongoing deployment of effective campus and service operations that support the student experience, enable the University community and allow

for business continuity resilience. This priority supports operational effectiveness and the building of organisational resilience in the round.

- **People and Culture** – this priority aims to support wellbeing and foster an engaged, connected and resilient community, building a culture of belonging and inclusion. Actions for delivery against this priority are brought forward in response to the changing needs and expectations of a more diverse community of students and staff.
- **Community Health and Wellbeing** – this priority aims to support wellbeing and foster an engaged, connected and resilient community, building a culture of belonging and inclusion. Actions for delivery against this priority are brought forward in response to the changing needs and expectations of a more diverse community of students and staff.
- **Student Recruitment and Market Development** – to maximise the opportunity for unregulated student recruitment, partnership recruitment and transnational education. This priority aims to ensure the sustainability of unregulated recruitment by accessing new and non-traditional student recruitment markets, through partnerships and flexible delivery, as well as protecting funding received from the SFC through effective management of the regulated undergraduate intake and postgraduate taught funded places.
- **Financial Stability and Sustainability** – maximising income through unregulated student recruitment, international partnerships, commercial activities and business engagement opportunities. The priority also supports the alignment of institutional expenditure with value-adding activities, enables effective working capital management to ensure liquidity, and ensures continued compliance with all regulatory and audit requirements including procurement frameworks.

The strategic objective to ensure that **internationalisation is at the heart of everything that we do** is woven through the aforementioned institutional priorities for 2022/23. Specifically, overarching internationalisation actions will be undertaken to leverage the University's membership of the YERUN and HERMES networks, while also forging discrete partnerships with member, and non-member institutions, where appropriate. Given the evolving size and demographic of the student population, with over 135 nationalities represented on the Stirling campus, particular attention is also being paid to the 'internationalisation at home' agenda to ensure all students receive an excellent student experience.

Our staff

The University values the skills, experience and involvement of its employees. Staff are informed about University activities and priorities through regular line management meetings, the staff portal, weekly e-bulletins and open forums such as the staff assembly. Staff are also encouraged to participate in collaborative working at institutional, faculty and professional services levels through membership of formal committees and informal working groups.

The University recognises the importance of a healthy work-life balance. To help staff achieve this balance, the University has introduced an Employee Assistance Programme (EAP), provided by Innovate Healthcare and delivered by their EAP partner CiC. This support service offers emotional, psychological and practical help for a wide range of personal and work-related issues. The service is available to employees and their immediate family members.

The University is committed to ensuring that all staff experience a welcoming, inclusive and supportive culture and working environment and are able to fulfil their potential as employees of the University. As such, the University strives to ensure that staff with a disclosed disability are able to fulfil their potential at work without experiencing disadvantage as set out within our Equality & Diversity Policy (stir.ac.uk/97j).

In recognition that the COVID-19 pandemic has imposed radical change on conventional working practices and the need to transition forward, the University has embedded an Agile Working Framework – an informal, principles-based approach that enables progressive working practices to support agility, growth, and high performance.

Trade union (facility time publication requirements) regulations 2017

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. These regulations place a legislative requirement on the University to collate and publish, on an annual basis, the following data on the amount and cost of facility time. The University's return for the period 1 April 2021-31 March 2022, which contains details of numbers of employees who were relevant union officials, the percentage of their working hours spent on facility time, percentage of pay bill spent on facility time and paid trade union activities, is available from stir.ac.uk/97k

Equality and diversity

At the University of Stirling, we are committed to promoting equality and diversity so that all staff, students and visitors to the University can be confident that they will be treated with dignity and respect.

The University has a responsibility to ensure that no individual is disadvantaged as a consequence of their age, disability, gender identity, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. We aim to maintain a culture inclusive of all sections of society which is free from discrimination and unfair treatment.

As well as being documented in the Strategic Plan, the University's commitment to equality is reflected in the institutional Equality Outcomes 2021-25 (stir.ac.uk/97l) in line with the Public Sector Equality Duties. These outcomes are informed by analysis of progress made against the previous 2017-2021 equality outcomes, recent developments in the external environment, guidance issued by the SFC, Universities UK and the Equalities and Human Rights Commission.

The University is proud to hold an institutional Bronze Athena SWAN award, as well as several departmental awards for our work to promote gender equality and in 2022/23 will apply for a refreshed institutional award in line with the transformed Athena Swan Charter. Recognising the issues highlighted through the Tackling Racism on Campus collaborative project across the Scottish tertiary sector, the University has this year established a race equality group which is now overseeing the implementation of a Race Equality Strategy to ensure the University remains a safe, inclusive and welcoming place.

The University's approach towards equality and diversity, along with underpinning policies and frameworks can be found on our dedicated webpage stir.ac.uk/6xb

Equality and diversity best practice, awareness raising, events and activities are promoted through a variety of initiatives, including the Equality Action Forum and the network of 'Equality Champions' embedded throughout the institution.

Sustainability

The University of Stirling is wholeheartedly committed to addressing the sustainability of our planet and playing its role in the need to build a fairer and greener society in support of the UN Sustainable Development Goals. Our researchers are at the forefront of efforts to develop innovative responses to climate change, enabling adaptation and resilience and drive forward carbon neutral prosperity.

In 2021/22 the University launched a new Sustainability Plan (2022-28) (stir.ac.uk/97n) detailing the actions that will be taken over the next six years to drive progressive change to meet ambitious sustainability targets. These objectives are ambitious but achievable through the combined efforts of staff, students and regional partners.

Key to the University achieving its Net Zero commitments is the range of agreements we have with partners locally and globally. This includes:

- i. [Forth Valley for Net Zero](#) campaign – committing the University to sharing best practice with our strategic partners and helping the region achieve net zero status by 2040. forthvalleyfornetzero.co.uk
- ii. [Sustainable Growth Agreement](#) with the Scottish Environment Protection Agency (SEPA) – the first of many such agreements to be facilitated by [Scotland's International Environment Centre](#) (stir.ac.uk/97o)
- iii. [UN Sustainable Development Goals \(SDG\) Accord](#) (sdgaccord.org)
- iv. [Race to Zero](#) for Universities and Colleges campaign. educationracetozero.org/home

Understanding our risks

The University faces a number of strategic risks that could affect any aspect of its academic, professional or commercial business activities. Sound risk management is therefore required to achieve Strategic Plan targets.

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

The University Court is of the view that there is an ongoing process for identifying, evaluating and managing the University's significant risks that has been in place for the period up to the date of approval of the financial statements. This process has been reviewed and approved by Court and is in accordance with the Scottish Code of Good HE Governance guidance. The University's approach to risk management is set out in full within the [Risk Management Policy](#) (stir.ac.uk/97s) and associated [Risk Appetite Statement](#) (stir.ac.uk/97t).

The University maintains a register of strategic risk that is reviewed on a regular basis by the Audit Committee on behalf of University Court. In 2016/17, the Strategic Risk Register was revised to align risks with the three overarching aims of the Strategic Plan 2016-21, an approach which continues with the Strategic Plan Addendum to 2022/23. All academic faculties and professional service areas maintain their own respective risk registers that are considered as live working documents and are used as strategic planning tools.

Risk exists as a consequence of uncertainty and is present in all university activities. The exposure to risk is normally expressed in terms of the operational, reputational and financial damage that may be incurred and the ability to transfer, tolerate, treat or terminate as a result. The Register of Strategic Risk helps the University to measure and assess the most significant threats and opportunities that could impact on delivery of Strategic Plan targets. The risk register highlights a range of risks, some of which are summarised below. It should be noted that risks are not presented in rank order.



Forth Estuary

Table 2 Risk Register extract

Strategic objective	Risk	Risk mitigation
<p>Be one of the top 25 universities in the UK</p>	<p>Changes to the political landscape (in Scotland, UK and EU) and/or applicant behaviour impacting on the recruitment of RUK students – including change to government representation and policy or a significant shift in applicant behaviour (e.g. due to the impacts of COVID-19 and volatility in the economy etc.).</p>	<p>Proactive approach to recruitment, marketing, and portfolio development, to ensure programmes are attractive to RUK students. Improved presence at UCAS events and enhanced conversion activities (e.g. scholarship schemes). Review of fees and scholarships led to revised fee structure implemented for 18/19 onwards to maximise income flow and reviewed in summer 2022. Ongoing monitoring of relevant channels, sector-based and otherwise. Recommendations flowing from post-18 review of education, including a two-year freeze on the RUK fee level.</p>
	<p>Changes to international student applicant/institution behaviour, as a direct result of the COVID pandemic, volatility in the economy or change to government policy for example, results in an increased risk exposure from fee income. Student experience is diminished due to evolving profile of the student population and growth in student numbers.</p>	<p>Proactive approach to the diversification of international student population, including TNE and digital delivery. Enquiry management and offer conversion service with QS Solutions, utilising CRM technology. Further development of Joint Venture (JV). Enhanced recruitment and marketing activity in key markets and for priority programmes. Strategic international partnerships delivering transnational education and/or articulation routes, which could lead to a significantly increased percentage of students being taught overseas through partners. Tailoring of PGT portfolio, programme start dates, delivery model and support arrangements with a view to maximising recruitment under the context imposed by COVID. Realignment of resource to facilitate realisation of demand for spring start provision. Student intake forecasting infrastructure and capabilities enhance basis for planning, monitoring and deployment of proactive interventions where required. Further integration of professional services and faculty operations to support the growth in student numbers and increasing diversity of the student population.</p>
	<p>Changes in Scottish/EU funding policy (e.g. availability of tuition fee loans) make it difficult for the sector to recruit home taught undergraduate and postgraduates. Risk that diversity of student population is affected.</p>	<p>Ongoing monitoring and earlier setting of fees, scholarships. Explore new funding opportunities such as graduate apprenticeships. Scottish Funding Council released Final Funding Allocations based on the Scottish Governments 2022/23 budget. While the SFC signalled continuation of the additional funded places associated with COVID-19 and the school exam contexts, Stirling will receive a net reduction of 100 funded places year-on-year as part of the SFC measures to fund Graduate Apprenticeship growth across the sector. The Final Funding announcement also confirmed for Stirling year-on-year uplifts to the ring-fenced (controlled) nursing and paramedical science cohorts, due to anticipated student number growth.</p>
	<p>Brexit context dictates uncertainties re: rights and/or appeal of living and working in the UK and for staff which could affect recruitment and retention of staff. Risk of reduced access/no access to cross-EU research funding streams. Increased complexity and regulation associated with employing staff from the EU.</p>	<p>Increase communications with current staff, appraising of policy updates. Conducting regular analysis of staffing profile to inform future actions.</p>
	<p>Risk associated with a failure to adequately maintain and develop technology and systems and the impact on business continuity and sustainability given the increased reliance across all business areas, including learning and teaching e.g. hybrid teaching delivery, UCAS results feed.</p>	<p>Effective business continuity plans in place across all operational areas of the university, ongoing improvements and investment to IT infrastructure and the development of a new digital strategy.</p>

Strategic objective	Risk	Risk mitigation
Increase our income by £50 million	As a consequence of spending reviews/governmental policy/ issues associated with the timings of respective UK and Scottish Government budget announcements, grant funding for higher education in Scotland is reduced.	Continued working with Scottish Funding Council (SFC) to deliver Outcome Agreement targets. Continued divergence of income streams to reduce reliance on SFC funding. SFC released Final Funding Allocations based on the Scottish Governments 2022/23 budget. The SFC's university revenue budget for 2022/23 is £1,107.2m, representing an increase of £21.9m (+2%) compared with the baseline 2021/22 budget. However, when compared with the SFC's full, published revenue budget for 2021/22, which included additional one-off consequential funding in relation to COVID-19, it represents a reduction of £5.1m (-0.5%).
	Reduction in student fee income as a result of failure to recruit sufficient numbers of non-regulated undergraduate and postgraduate students due to the impacts of the COVID pandemic or other disruptive factors.	Proactive approach to attract high-calibre applicants and improve the conversion rate. Student enquiry management and conversion service with QS Solutions. Regular monitoring, use of incentives and ensure that current processes are applicant-focussed and comply with legislation. Tailoring of PGT portfolio, programme start dates, delivery model and support arrangements with a view to maximising recruitment under the context imposed by COVID. Ongoing scenario planning to understand exposure and to enable deployment of mitigating actions. Clear proposition communications to support applicant decision making. Targeted investment in academic areas to support delivery.
	Increased pay awards and pension costs become unaffordable and increase the deficit to unsustainable levels.	Continue to keep abreast of developments and engage with other institutions so that the employers present a consistent, pragmatic and, where required, robust response to the continuing challenge that the long-term funding of USS presents. Monthly monitoring of expenditure and performance levels. Institutional position, cognisant of context with the COVID pandemic, volatility in market conditions and associated pressures on income, is made to UCEA and local unions. Business continuity planning in event of industrial action. Financial management and control of staff costs.
	UKVI not issuing/restricting the number of staff or student visas. Changes in English language requirements or other government policies in relation to non-EU students and/or workers, including changes to Partnership Agreements (e.g. Joint Ventures). Increase of in year UKVI CAS refusal rate beyond the basic compliance assessment level of 10% (which is one of the UKVI indicators in addition to student non-completion) due to increased activity in high-risk markets.	Continued monitoring of performance against UKVI KPIs and policy. Revisions to regulations for employment of Tier 4 students. Action plan in place to enhance entry requirements, pre-CAS checks and advice to applicants on UKVI interview, review of targets across all markets and introduction of a cap in high-risk markets. Reduction in CAS refusal rate as a result of successful implementation of action plan and visit from UKVI. Basic Compliance Assessment passed, and increased CAS allocation received.

Strategic objective	Risk	Risk mitigation
<p>Enhance our research profile by 100 percent</p>	<p>Reputational and financial risk associated with Regional City Deal requirements not being met to receive committed funding from the Government/Local Councils, or the additional funding required is not secured. The complex political relationships and partnerships breakdown resulting lack of investment and a decline in the City of Stirling as an attractive place to live, work and study.</p>	<p>Appropriate governance structures have been put in place both externally and internally to manage the different strands of the process. Programme Office established within RIBE provides effective project management and ensure delivery against stated outcomes. The City Deal programme continues to be developed and delivered in a challenging economic and geopolitical environment. Risk assessment and management, together with tight project control, are a constant focus in order to mitigate the adverse impacts.</p>
	<p>Impact of Brexit on research income which could potentially lead to existing research grants being terminated, not being awarded grants for UK-led research and a decrease in research income from EU sources. Around 10% of Stirling's research income is from the European Commission.</p>	<p>Following the departure of the UK from the EU, discussions have been ongoing about the UK's future access to EU research programmes including Horizon Europe. Within the Brexit deal agreed in December 2020, it was agreed that the UK would continue its association with Horizon Europe, however access has not been approved by the European Commission to date. The UK Government has indicated that it would have a 'Plan B' if association to European Research funding could not be agreed. Representation through representative bodies to the UK Government on importance of retaining research funding from EU, through direct links with cross-Europe academies. Diversifying research applications to increase income from other international funding opportunities.</p>
	<p>Cut or change in methodology of allocating research funding, particularly the research and knowledge exchange funding, leading to an overall cut in funding.</p>	<p>Continue to lobby for investment in research and innovation as a key driver of economic growth and societal benefit. Successfully implement the Research Strategy and bring forward a refreshed strategy in tandem with institution strategic plan 2023-2028.</p>

Financial Performance

Financial Statements

The financial statements comprise the consolidated results of the University and its subsidiary undertakings. The key subsidiaries are: UOS Education Limited (UOSE) and Stirling Hotel Services Limited (SHS). For commercial reasons these activities are channelled through limited liability companies. The University has also entered into two Joint Venture operations namely Stirling University Innovation Park Limited and INTO University of Stirling LLP. More information on these entities can be found at Note 13 of the Financial Statements.

The reported operating deficit for the year 2021/22 is £14.4 million which compares to a £10.7 million surplus in 2020/21. The 2021/22 position is exceptionally impacted by adverse pension movements. The financial management of the University focuses on the underlying results that exclude non cash staff costs relating to pensions. After deducting the initial capital grant funding received for the City Region Deal the underlying surplus for the year 2021/22 is £15.4 million with a prior year comparable surplus of £3.0 million as follows.

Table 3 Underlying surplus

	2021/22	2020/21
	£'000	£'000
(Deficit)/Surplus for the year	(14,369)	10,723
Pension provision movements (Note 19 & 30)	31,970	(7,746)
City Region Deal income	(2,204)	-
Underlying surplus	15,397	2,977

Despite continued challenges in the external environment, the achievements in the financial year across the core business activities of both teaching and research are to be welcomed. The uplift in core income is enhanced further by increases in commercial income from residencies, catering and sports facilities, as students and staff returned in person to the University campus.

Income has increased on previous financial year in all areas, apart from Funding Council Grants, by £31 million. Increased student numbers in both autumn and spring deliver a further step change increase in tuition fees of £18.5 million from 2020/21. In addition, commercial activity has continued to recover towards pre-pandemic levels with a year-on-year increase of £11 million (80%). As forecast, expenditure has increased by £16 million in line with increased activity and inflationary increases.

This strong performance has resulted in the University returning an unprecedented operating surplus in the financial year of £15.4 million (10% of income). This result also reflected a net cash inflow from operating activities of £25.7 million and the year-end cash balance increasing by £6.3 million to £82.5 million.

Financial health

The key financial ratios of the University are set out at Table 4, these have been stated excluding the aforementioned pension movements.

Table 4 Financial ratios

	2021/22 £000	2020/21 £000
Income ratios		
Total Income	155,255	124,478
Total Funding Council Grant as % of Total Income	33%	43%
Total non-Funding Council Grant as % of Total Income	67%	57%
Total Education Contracts and Tuition Fees as % of Total Income	40%	35%
Total Research Grants and Contracts as % of Total Income	11%	11%
Total Other Income as % of Total Income	16%	11%
Total Endowment and Investment Income as % of Total Income	0%	0%
Expenditure ratios		
Total Expenditure (excluding movement on pensions)	136,655	120,557
Staff Costs as % of Total Expenditure	58%	64%
Underlying Position		
Surplus/(Deficit) for the year	15,397	2,977
Surplus/(Deficit) for the year as % of Total Income	10%	2%
Earnings Before Interest Tax Depreciation and Amortisation	30,627	20,750
Balance Sheet strength		
Overdrafts, Loans, Finance Leases	103,036	113,424
External borrowing as % of total income	66%	91%
Net Debt	20,469	36,702
Total Assets	340,303	333,852
Net Debt as a % of total assets	6%	11%
Net Current Assets	44,859	39,806
Current ratio (Current Assets: Current Liabilities)	1.75	1.67
Cash Position		
Cash and Current Asset Investments	83,652	77,839
Days Ratio of Cash to Total Expenditure	223	272
Operating cashflow	25,679	29,383

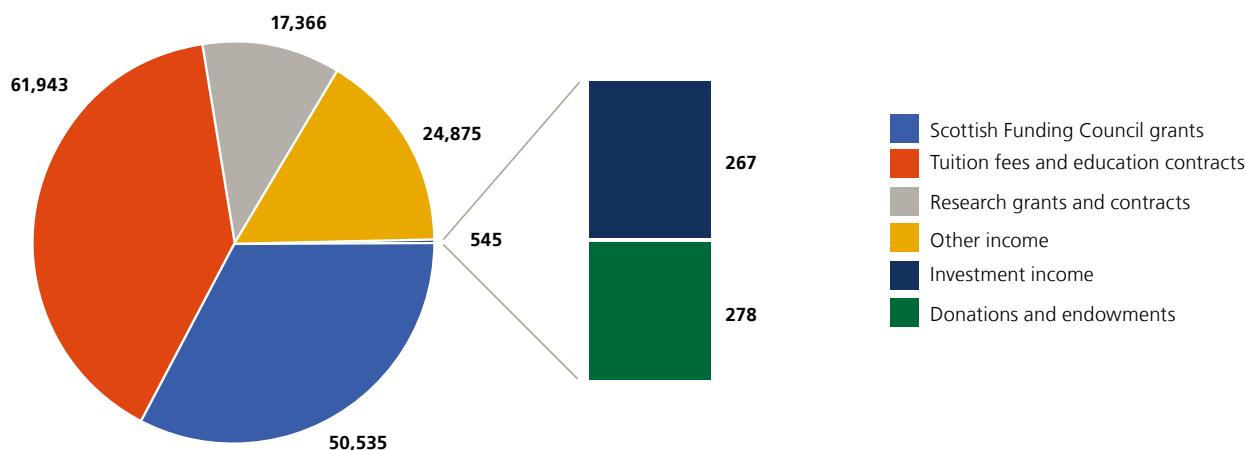
In recent years the University has taken advantage of historically low interest rates to secure long term funding which it has used to invest in schemes which enhance the student experience through a reimagining and reinvigoration of the University’s core infrastructure. During the financial year, one larger scheme, namely Campus Central, was completed at a cost of c.£21 million and was funded using a combination of private placement and SFC loan funding. The University has net debt of £20 million which is 6% of its total assets.

It remains the University’s mission to be an innovative and international university, with a global reputation for high-quality teaching and research.

Income

The University’s ambition, as set out in its Strategic Plan, is to increase income to more than £140 million by 2021/22. The reported results in 2021/22 show total income has increased, against the considerable challenges posed by COVID-19, by £30.8 million – a 24.7% year-on-year increase to £155.3 million and over £15 million above the target. That result is attributable to growth in tuition fees, the post pandemic recovery of other income and an increase in research grant income offsetting a reduction in funding from the Scottish Funding Council because of the unwinding of one-off funding in 2020/21.

2021/22 Income (£'000)



Scottish Funding Council (SFC) grants

The University’s main grant allocation was announced in May 2021. For 2021/22, the University received £50.5 million in funding from the SFC, including a capital grant of £1.2 million. Total funding is down £2.2 million on prior year, this is due to the unwinding of one-off funding of £6.5 million to counter the impact of COVID-19.

Tuition fees and education contracts

Tuition fee income increased by £18.5 million (42.4%) compared to 2020/21 and is a step-change equivalent to more than double the income in the Strategic Plan baseline year (2014-15, £29 million). This exceptional growth is due to growth in the international PGT market and the changing profile with the additional spring intake leading to additional opportunities to recruit students and grow income.

Research grants and contracts

Stirling is currently one of the smaller research-intensive institutions in the UK. The Strategic Plan sets the ambition to enhance our research performance by 100% through a growth in research-active academics, research postgraduates and research grant and contract income.

The University has set a target to double Research Grant and Contract (RGC) income over the lifetime of the Strategic Plan from £11 million in 2014/15 to £22 million in 2021/22.

In 2021/22, research grant and contract income increased by £4.1 million to £17.4 million, this is the highest level of research activity achieved by the University and is due to the record research awards in 2020/21 of £26.5m flowing through into research income as grant activity is undertaken. Additionally, the City Region Deal beginning to flow through with £0.8 million of research income associated with the deal in 2021/22.

Other income

At £24.9 million, other income sources accounted for 16.0% of the University's total income. Other income has increased by £11.2 million in 2021/22 and is nearing a return to pre-pandemic levels. This increase was driven by the return to campus activity during the year and a return to near business as usual following the pandemic. In contrast with the prior year, the residences were at much higher occupancy, the hotel and catering outlets performed resiliently, and the Sports Centre had a sustained period of operation with higher membership levels. The overall increase in other income is also driven by the City Region Deal which contributed £1.4 million other income during 2021/22.

Investment income

Investment income has increased marginally despite having cash available to deposit in investments, as a result of historically low interest rates during the year, which began to increase towards the end of the financial year.

Donations and endowments

Donations and endowments were double the 2020/21 figures which can in part be attributed to the external environment post-coronavirus, with donations beginning to flow again. The University is committed to growing philanthropic income and building a dynamic alumni engagement programme to help achieve and maintain a sustainable University.

Expenditure

Staff costs

Staff costs, excluding pension movements, increased by £1.5 million and reflect the impact of the 2021/22 pay settlement, incremental progression and any changes in pensions and payroll contributions. Additionally, the institution has invested in the staff base to support the return to campus and face to face teaching in 2021/22 and the full year effect of which will be felt in 2022/23.

Further, the 2021/22 position has been adversely impacted by the movement on the University's share of the USS net pension liability, which has increased by £32 million (from £22.5 million to £54.5 million) arising from the 2020 USS valuation.

Other Operating Expenditure (OOE)

OOE has increased to £45 million from £31.6 million and by £4.7 million compared to pre-pandemic levels in 2018-19. This increase in expenditure is down to a number of factors: inflationary pressure on all cost categories; increased agent commission associated with growth in tuition fee income; spend associated with the return to campus; increased utilities costs; increased travel and the consequential increases associated with the recovery of other income streams.

Depreciation

Depreciation has increased by £1.3 million compared to 2020/21, due to the completion of two significant capital projects that are now being depreciated, namely the Sports Centre Redevelopment and Campus Central.

Interest and other finance costs

Interest and other finance costs have decreased slightly mainly due to a net charge on the USPS pension scheme.

Statement of financial position and cash flow

Capital expenditure

The University has invested £10 million in capital additions for 2021/22, including £2.2 million on completing Campus Central and £2 million on City Region Deal projects. Campus Central has created new and refurbished study and social spaces at the heart of the campus for the benefit of students, staff and the wider community and has proved popular. In addition to Campus Central, work has begun on the Link Bridge to integrate the two buildings (£0.4 million). This project was completed in Autumn 2022.

A further £0.6 million was invested in the Pathfoot building, focusing on the roofs, link corridors and glazing. £0.5 million has been invested in firestopping across the campus. The University continues to invest in IT Infrastructure, having spent £1 million in 2021/22.

Current assets

The net current asset position of the University increased by £5 million. The University's cash inflow from operating activities in 2021/22 was £25.7 million. The cash and cash equivalent balance at the end of the year was £82.5 million, an increase of £6.3 million.

Long-term borrowings

Long-term borrowing stands at £92.5 million – this reflects a decrease of £10.5 million following the early repayment of £10 million loan through the Coronavirus Large Business Interruption Loan Scheme (CLBILS) during 2021/22.

Provisions

The statement of financial position includes a USS pension provision of £54.5 million. This compares adversely against last year's provision of £22.5 million with the increase a result of the completion of the 2020 actuarial valuation. In 2021/22, the University showed a USPS pension asset of £6.8 million. During 2021/22, the University showed a USPS pension asset of £6.8 million, a decrease of £4.9 million due to an actuarial loss of £5.7 million offset by improved return on assets of £0.8 million. Other provisions have reduced by £0.8 million, mainly relating to the clawback for grants provided for in 2020/21.

Prompt payment to suppliers

It is the University's policy to abide by the agreed terms of payment with suppliers. Unless special terms apply, payment is made within 30 days of receipt of a valid invoice or after acceptance of the goods or services, whichever is later.

During 2021/22, the University paid 84.6% of its invoices within 30 days of receipt of a valid invoice.

Professional Advisors

External Auditor

KPMG LLP (to 31 December 2021)

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

PricewaterhouseCoopers LLP (from 01 April 2022)

144 Morrison Street
Edinburgh
EH3 8EX

Tax Advisor

KPMG LLP

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Internal Auditor

Ernst and Young LLP

5 George Square
Glasgow
G2 1DY

Banker

HSBC UK Bank PLC

2-6 Murray Place
Stirling
FK8 2DD

Solicitor

Thorntons Law LLP

Whitehall House
33 Yeaman Shore
Dundee
DD1 4BJ



H. Grossart

Chair, Joint Policy, Planning and Resources Committee
12 December 2022



Corporate Governance

The University of Stirling was incorporated by Royal Charter (RC 000669) in 1967 and is a charity registered in Scotland with the Office of the Scottish Charity Regulator (SC 011159).

Governing Body

The Court of the University is, subject to the provisions of the Charter and Statutes, the governing body of the University, and is responsible for the administration and management of the revenue and the assets of the University. This section outlines the University's corporate governance arrangements. A list of the members of the University Court and Committees during the year ended 31 July 2022 can be found on pages 66-67.

In accordance with the University's Charter, the Court has overall responsibility for the management of the University's resources, the ongoing strategic direction of the University, approval of major developments, and the receipt of regular reports from Executive Officers on the operation of its business. The Court met four times during 2021/22. The Court Strategy Day was held during October 2021 to set the context as a precursor to engaging members of University Court in the development of our strategic plan 2023-28. Members reflected upon successes, challenges and emergent opportunities and considered the global nature of the Higher Education sector, the characteristic of a global institution and the scale of the University of Stirling and its role in the region and nationally.

On matters relating to the academic work of the University, Court will normally only act on the recommendation or with the concurrence of the Academic Council – the existence and membership of which is provided for in the University's Charter and its allied instruments, the Statutes and Ordinances: [stir.ac.uk/97q](https://www.stir.ac.uk/97q)

This is partly facilitated by the Joint Policy, Planning and Resources Committee (JPPRC), a joint Committee of University Court and Academic Council which monitors and advises the University Court on policy, strategy and resource issues relating to the University infrastructure (physical, technological and human). JPPRC also scrutinises new or revised University policies and recommends their approval to University Court and/or Academic Council.

The membership of the Court – some of whom are ex officio – comprises lay members, who are in the majority, the balance being made up of staff and student members as prescribed by Statute. The Chair of Court is a lay member and is supported by lay Chairs of the Joint Policy, Planning and Resources Committee and the Audit

Committee. The University's Chief Executive is the Principal and Vice-Chancellor.

The process to recruit a new Chair of University Court was concluded in May 2021, with a new Chair of Court appointed for a four-year term following a thorough appointment and election process. The Vice Chair of University Court was subsequently appointed in December 2021 following a thorough selection and appointment process.

The gender balance of all Court members as of 31 July 2022 was 54% men and 46% women and amongst the lay members the split was 54% men and 46% women.

In accordance with the Gender Representation on Public Boards (Scotland) Act 2018, the University has an objective of maintaining a gender representation of 50% of independent members who are women.

Lay members of Court have a range of skills and backgrounds. Current members have expertise in human resource management, corporate law, work culture, local government, strategic planning, IT services, accountancy, internationalisation, creative industries, sports development, business development, social justice, consumer rights, healthcare, business and finance.

Inductions are held for new members of Court which provide members with an outline of their governance responsibilities and highlights some of the key issues of interest to Court members, particularly in relation to the external environment. Meetings of Court are normally preceded by presentations or visits to different academic and service areas of the University to help Court members improve their understanding of the operations of the University. Training is supplemented by members attending programmes offered by Advance HE Governors Development Programme as and when required.

Court has a Statement of Primary Responsibilities which sets out its responsibilities in relation to mission, vision and strategy; students and staff; financial systems and control environment; corporate governance, and senior management. A copy of the Statement can be viewed on the University website at: view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.stir.ac.uk%2Fmedia%2Fstirling%2Fservices%2Fpolicy-and-planning%2Fdocuments%2FStatementofprimaryresponsibilities.docx&wdOrigin=BROWSELINK

Principal Committees

The Joint Policy, Planning & Resources Committee (JPPRC) considers issues relating to the University's finances, estates, information services, and staffing, and their integration with academic planning. The committee reported matters for information and formal approval by Court as appropriate. The JPPRC also recommended to Court the University's recurrent budget and capital expenditure plans.

The monitoring of performance in relation to approved budgets is undertaken by the University Strategy and Policy Group on a quarterly basis, through its consideration of management accounts, with periodic formal reporting to JPPRC.

The Remuneration Committee undertakes a review of professorial and senior University Services staff salaries, including that of the Principal.

The Governance and Nominations Committee has overall responsibility for corporate governance, the conduct of Court members, and the appointment and election of members to Court and other committees. The Committee also has an important role to play in ensuring diversity among Court members and on other committees.

The Audit Committee is responsible for assisting and advising Court on the discharge of its responsibilities. It ensures that appropriate controls are in place to safeguard all funds received by the University, and reviews and monitors accounting policies and practice. It oversees the remit and findings of both the internal and external auditors and meets with them to review their reports. It also reviews the financial statements of the University prior to their submission to Court. While senior executives attend meetings of the Audit Committee as necessary, they are not members of the Committee, and the Committee may meet with the Internal and External Auditors on its own for independent discussions.

During the year, the Committee considered five separate internal audit reports and carried out detailed follow-up reviews of outstanding audit actions.

The Court receives regular audit updates throughout the year and an annual report from the Audit Committee, supported by documentation from senior management and the relevant committees, in order to complete its annual assessment for the year ending 31 July. The aim is to obtain the relevant degree of assurance and not merely report by exception.

Good Governance

The University is committed to exhibiting best practice in all aspects of corporate governance and works to the good practice recommendations in the Scottish Code of Good Higher Education Governance.

In the opinion of the Governing Body, the University complied with all the principles and provisions of the 2017 Scottish Code of Good Higher Education Governance, with the exception of the requirements detailed below, which were impacted by the COVID-19 pandemic:

- The requirement to hold an annual stakeholder meeting in public: it was not possible to hold this event as planned due to COVID-19 restrictions. The stakeholder meeting will be held during 2022/23.

The University has taken action to address this issue and expects to be fully compliant in 2023.

Membership of Court and Committees 2021/22

	C=Court A=Audit J=JPPRC	Membership dates	Attendance 2021/22		
			Court 4 in year	Audit 3 in year	JPPRC 3 in year
*Mr Harry Adam	C, J		3 (Chair)	-	3
*Ms Mary Allison	C		4	-	-
*Dr Robert Black	C	To 15/10/21	1 of 1	-	-
*Mr Kenny Fraser	C, A		4	3 (Chair)	-
*Ms Susan Gordon Hardy	C, J	JPPPC from 31/03/22	4	-	0 of 1
*Ms Poonam Gupta	C	From 01/06/22	1 of 1	-	-
*Mr Hamish Grossart	C, J		2	-	2 (Chair)
*Mr Graham Hastie	C		4	-	-
*Mr Douglas Kearney	C, A		4	2	-
*Ms Barbara McKissack	C, J	To 31/07/22	3	-	2
*Ms Catriona Morrison	C		3	-	-
*Mr Julian Roberts	C	From 01/06/22	1 of 1	-	-
*Rev Maggie Roderick	C, A		3	1	-
*Mr William Stancer	C	From 01/06/22	1 of 1	-	-
Councillor Christine Simpson	C	To 05/05/22	3 of 3	-	-
Councillor Douglas Dodds	C	From 19/05/22	1 of 1	-	-
*Ms Margaret Khnichich	A		-	3	-
Ms Nela Cadinanos Gonzalez	C, J	To 31/05/22	2 of 3	-	2
Ms Alyson MacKay	C, J	To 31/05/22	3 of 3	-	2
Ms Tash Miller	C, J	From 01/06/22	1 of 1	-	0 of 0
Ms Jess Reid	C, J	From 01/06/22	1 of 1	-	0 of 0
Dr Paul Cowell	C		4	-	-
Ms Pam Crawford	C		2	-	-
Professor Jayne Donaldson	C		4	-	-
Professor Holger Nehring	C		4	-	-
Professor Julie Tinson	C	From 31/03/22	1 of 1	-	-
Professor Peter Hancock	C		4	-	-
Mr George MacLeod	C	To 09/05/2022	3 of 3	-	-
Professor Malcolm MacLeod	C, J		4	-	3
Professor Sir Gerry McCormac	C, J		3 of 4	-	3
Professor Alison Bowes	J	To 31/12/21	-	-	1 of 1
Professor Alastair Jump	J	From 31/03/22	-	-	1 of 1
Professor Judith Phillips	J		-	-	3
Ms Eileen Schofield	J		-	-	3
Professor Leigh Sparks	J		-	-	3
Professor Neville Wylie	J		-	-	3

* Lay members

JPPRC = Joint Policy, Planning & Resources Committee

Accounting Responsibilities of the University Court

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

The Court is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Court is required to prepare financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Financial Memorandum with Higher Education Institutions issued by the Scottish Funding Council.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the University or to cease operations or have no realistic alternative but to do so.

The Court is responsible for keeping adequate and proper accounting records that are sufficient to show and explain the group and University's transactions, and disclose with reasonable accuracy at any time, the financial position of the University. They must ensure that the financial statements comply with the Charities and Trustee Investment (Scotland)

Act 2005, and regulation 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The University Court has taken all reasonable steps to:

- ensure that funds from the SFC are used only for the purposes for which they have been given, and in accordance with the Financial Memorandum with SFC, and any other conditions which the SFC 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 economic, efficient and effective management of the University's resources and expenditure.

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

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic schools and directors of service;
- a comprehensive medium and short-term planning process supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of key performance indicators and business risks, and quarterly reviews of financial results involving variance reporting and updates of forecast out-turns;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval level set by the University Court;

- comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee and the Court;
- a professional outsourced Internal Audit team whose annual programme is approved by the Audit Committee and endorsed by the University Court and whose head provides the University Court with a report on internal audit activity within the University and an opinion on the adequacy and effectiveness of the system of internal control, including internal financial control.

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

Independent auditors' report to the Court of the University of Stirling (the "University")

Report on the audit of the financial statements

Opinion

In our opinion, the University of Stirling's group financial statements and University financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the University's affairs as at 31 July 2022 and of the group's and University's income and expenditure and recognised gains and losses, and of the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law);
- have been properly prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise the Consolidated and University Statement of Financial Position as at 31 July 2022; the Consolidated and University Statement of Comprehensive Income, the Consolidated and University Statement of Changes in Reserves, and the Consolidated Statement of Cash Flows for the year then ended; the Statement of Accounting Policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's

Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and University's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Court's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and University's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Court with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Court is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Annual Report

Under the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion, the information given in the Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Responsibilities of the Court for the financial statements

As explained more fully in the Accounting Responsibilities of the University Court set out on page 27, the Court is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Court is also responsible for such internal control as they 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 group's and 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 intends to liquidate the group and University or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed auditors 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the University/industry, we identified that the principal risks of non-compliance with laws and regulations related to employment laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risk was related to understatement of the surplus prior to pension adjustments. Audit procedures performed included:

- Understanding management's policies and procedures designed to detect and report fraud;
- Inquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of minutes of key meetings of management and the University Court;
- Testing of journal entries with particular focus on unusual account combinations within income and expenditure that would reduce the reported surplus prior to pension adjustments;
- Challenging assumptions and judgements made by management in areas of significant accounting estimates; and
- Review of the financial statements to assess compliance with relevant laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [frc.org.uk/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the University's Court as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulations made under that Act (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinions on other matters prescribed in the requirements attached to the Scottish Funding Council's Financial Memorandum

In our opinion, in all material respects:

- the requirements of the Scottish Funding Council's accounts direction have been met;
- funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation and any other terms and conditions attached to them; and

- funds provided by the Scottish Funding Council have been applied in accordance with the requirements of the Scottish Funding Council's Financial Memorandum with Higher Education Institutions.

Charities Accounts (Scotland) Regulations 2006 (as amended) exception reporting

Under the Charities Accounts (Scotland) Regulations 2006 we are required to report to you if, in our opinion:

- sufficient accounting records have not been kept by the University; or
- the University financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

12 December 2022



Statement of Accounting Policies

for the year ended 31 July 2022

1. Basis of preparation

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Royal Charter, the Accounts Direction issued by the Scottish Funding Council (SFC) and the terms and conditions of funding for higher education institutions issued by the Scottish Funding Council.

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards. The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of derivative financial instruments. The functional and presentation currency is pounds sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

2. Going concern

The group and parent University's activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report which forms part of the University Court's Report. The University Court's Report also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

The financial statements have been prepared on a going concern basis which the University Court consider to be appropriate for the following reasons.

University Court has reviewed cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts, the University Court is of the opinion that, taking account of severe but plausible downsides, the University of Stirling group will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The University of Stirling and the group headed by it generated a deficit after tax in 2021/22 of £14.4 million, following a surplus of £10.7 million in the previous financial year. Stripping out USS pension movements and City Region Deal income, the underlying operating position is a surplus of £15.4 million in 2021/22 with a prior year comparable of £3 million. However, surplus generation alone does not ensure the going concern status of an organisation. The critical factor that management of the University have used to determine the going concern status of the University is whether it can generate cash and maintain sufficient working capital balances. In 2021/22 the University's net operating cash inflow was £25.7 million. In addition, the University has a balance sheet with a non-current asset of £235.9 million, net current assets of £44.9 million including a cash balance of £82.5 million at the statement of financial position date. The University's forecasts and projections to 2023/24, taking account of future developments and reasonable sensitivities in relation to the key risks, indicate that the University will also deliver an accounting surplus in 2023/24. The forward projections indicate that the University will continue to generate a net cash inflow.

The financial scenario planning and stress testing undertaken by the University indicates that there are large external uncertainties which may need to be addressed in the near future: in particular, the cost-of-living crisis, continued effect of Brexit, and the stability of the Universities Superannuation Scheme. In the face of the series of large uncertainties, the University has adopted a financially cautious stance. The solvency position is strong and cash is available, if required, to respond to these uncertainties.

The University will remain compliant with lender covenants for the period to July 2024.

Consequently, the University Court is confident that the Group and parent University will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

3. Basis of consolidation

The consolidated financial statements include the University, its subsidiaries, and jointly controlled entities for the financial year to 31 July 2022. Intra-group transactions are eliminated on consolidation.

The consolidated financial statements do not include the income and expenditure of the Students' Union or the MacRobert Arts Centre, as the University does not exert control or dominant influence over their policy decisions.

The University has taken the exemption permitted under FRS 102 to not produce a cash flow statement for the University.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the University's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Defined benefit pension scheme – Universities Superannuation Scheme (USS)

FRS102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control, typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as USS. The accounting for a multi-employer scheme, where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS102. The University is satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

In accordance with the requirements of the SORP, the University currently recognises a provision for its obligation to fund past deficits arising within USS. The recovery plan in the 2020 actuarial valuation requires employers to contribute 6.2% of salaries towards repairing

the deficit over the period 1 April 2022 to 31 March 2024, at which point the rate will increase to 6.3%. Details of this provision, which has been discounted at a rate of 3.31% as of 31 July 2022, are included in note 19 to the financial statements.

The principal assumptions used in the calculation of the liability are as follows:

	2022	2021
Discount rate	3.31%	0.87%
Pensionable payroll growth	2.80%	2.67%

The sensitivities regarding the principal assumptions used to measure the liability are set out below:

Assumption	Change in assumption	Impact on liability
Discount rate	Increase by 0.1%	Decrease by £0.4m
	Decrease by 0.1%	Increase by £0.4m
Pensionable payroll growth	Increase by 0.1%	Increase by £0.4m
	Decrease by 0.1%	Decrease by £0.4m

Defined benefit pension scheme – University of Stirling Pension Scheme (USPS)

The liability for the USPS scheme is shown in Note 30. A formal actuarial valuation has been carried out as of 31 July 2021. The liabilities for these accounting disclosures have been calculated by projecting the results of that valuation to 31 July 2022 by the actuary, XPS Pensions Group. The resulting liabilities have then been adjusted to reflect the different assumptions used. The accounting disclosures are therefore heavily dependent on the results of the 31 July 2021 valuation and this approach is not as accurate as if the actuary had used actual census information as of 31 July 2022, but it is appropriate for the purpose of these disclosures and is in accordance with the provisions of FRS 102.

The results are highly sensitive both to the actuarial assumptions used and to market conditions.

The discount rate has been based on a single agency AA yield curve in accordance with FRS102.

	2022	2021
Approach	Single agency AA yield curve at a 17 year duration	Single agency AA yield curve at a 18 year duration
Relating discount rate	3.50%	1.70%

The approximate impact of a 0.1% change in the discount rate on the liability value and the consequence for the Scheme deficit is as follows:

Assumption	Change in assumption	Impact on liability
Discount rate	Increase by 0.1%	Decrease by £1.1m
	Decrease by 0.1%	Increase by £1.1m
Pensionable payroll growth	Increase by 0.1%	Increase by £0.1m
	Decrease by 0.1%	Decrease by £0.1m

The key actuarial assumptions as of 31 July 2022 are set out in Note 30.

Inflation Assumptions

RPI – The UK government has concluded a consultation on changes to align the RPI measure of inflation with the lower CPIH measure of inflation, establishing that it will occur from 2030. This results in a Pre 2030 RPI rate and a Post 2030 RPI rate being implied from Bank of England inflation curve (19 year duration) less inflation risk premium (IRP).

An inflation risk premium has been built in to the RPI assumption of 0.2% p.a. for pre-2030 and 0.4% p.a. for post-2030.

CPI – The long-term gap between RPI and CPI is 0.90% p.a. for pre 2030 and 0.10% p.a. post 2030, based on observed market movements.

5. Income recognition

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

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

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

Funds the University receives and disburses as the 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

Grant funding, including funding council block grants, research grants from government sources and grants (including research grants) from non-government sources, are recognised as income when the University is entitled to the income and performance-related conditions have been met. Income received in advance of performance-related conditions being met is recognised as deferred income within creditors on the statement of financial position and released to income as the conditions are met. Grant funding includes City Region Deal funding which is split between Research Grants and Contracts and Other Income in accordance with the business case.

Capital grants

Capital grants are recognised as income when the University is entitled to the funds subject to any performance-related conditions being met. Where there are restrictions on the grant, the income is taken to the restricted reserve and a transfer between reserves takes place as expenditure relating to assets financed by the grant is incurred.

Donations and endowments

Non-exchange transactions without performance-related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in 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 recognised in income when the University is entitled to the funds.

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

There are three main types of donations and endowments identified within reserves:

1. Restricted donations – the donor has specified that the donation must be used for a particular objective.
2. Restricted expendable endowments – the donor has specified a particular objective other than the

purchase or construction of tangible fixed assets, and the University has the power to use the capital.

3. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

6. Accounting for retirement benefits

The two principal pension schemes for the University are USS, covering academic and related staff, and the University of Stirling Pension Scheme (USPS) covering other staff.

The University participates in USS. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund.

Because of the mutual nature of USS, its assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of USS on a consistent and reasonable basis. As required by Section 28 of FRS102 "Employee benefits", the University therefore accounts for the scheme as if it were a defined contribution scheme.

As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

USPS is a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). This fund is valued every three years by professionally qualified independent actuaries. 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 group should recognise 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.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

7. 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.

8. Operating leases

Payments made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

9. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit.

10. Fixed assets

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

Certain items of fixed assets, i.e. land and buildings, were revalued to fair value on 31 July 2014 which was the date of transition to the 2015 FE HE SORP. Following this one-off revaluation, these assets are measured on the basis of deemed cost, being the revalued amount at the date of transition.

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

Land and buildings

Land and buildings are measured using the cost model. Under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and accumulated impairment losses.

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised.

Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the items replaced is written-out and charged to operating expenses.

Properties in the course of construction are carried at cost, less any impairment loss. Cost includes professional fees and borrowing costs which the University has chosen to capitalise where the costs are directly attributable to the acquisition, construction or production of an asset in accordance with Section 25 of FRS102.

Land is not depreciated as it is considered to have an indefinite useful life. Buildings are depreciated on a straight-line basis over their expected useful lives according to their constituent parts as follows:

	Maximum Life (years)
Structure	99
Roof	25
Windows/glazing	25
Services	30
Fit out (internal Fittings)	25

No depreciation is charged on assets in the course of construction or on assets held for sale.

At each reporting period end, the University checks whether there is any indication that any of its land and building assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount.

Equipment

Equipment, including computers and software, costing less than £25,000 per individual item is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Computer hardware	0-7 years
Computer software	5-7 years
Equipment acquired for specific research projects	depreciated over life of the research grant
Other equipment	0-15 years

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of the financial statements.

Borrowing costs

Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised.

Investment properties

Investment properties are land and buildings held for rental income or capital appreciation rather than for use in delivering services. Investment properties are recognised initially at cost.

Subsequent to initial recognition

- i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
- ii. no depreciation is provided in respect of investment properties applying the fair value model.

If a reliable measure is not available without undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with section 17 until a reliable measure of fair value becomes available.

Heritage assets

Works of art, artefacts and items held in the library collections are not recognised on the statement of financial position, since reliable cost information is not available for items acquired many years ago and significant costs are involved in arriving at valuations. Where recent acquisitions are made and meet the capital threshold, they are recognised on the statement of financial position at cost when purchased or at the best estimate of market value where the object is donated.

11. Investments

Investments in subsidiaries are carried at cost less impairment in the University's financial statements.

Current asset investments are held at fair value with movements recognised in Income and Expenditure. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

12. Stock

Stock is held at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving or defective stocks.

13. Cash and cash equivalents

Cash includes cash-in-hand deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

14. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

A contingent liability arises from a past event that gives

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

A contingent asset arises where an event has taken place that gives the University a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University.

Contingent assets and liabilities are not recognised in the statement of financial position but are disclosed in the notes.

15. Accounting for joint arrangements

Material entities over which the University has joint control with one or more other entities are classified as joint arrangements. Joint control is the contractually agreed sharing of control of an arrangement. A joint arrangement is either a joint operation or a joint venture.

The University has a 50% share of the issued share capital of Stirling University Innovation Park Limited. This is a separate vehicle which is owned equally by the University and Stirling Council. The University holds a 50% share in the INTO University of Stirling LLP which is a separate vehicle owned equally by the University and INTO University Partnerships Limited.

Both of these companies are separate vehicles, they are considered joint ventures and the University accounts for its share in them using the equity method.

16. Taxation

The University is an exempt Charity within the meaning of the Trustee Investment and Charities (Scotland) Act 2005 and, as such, is a charity within the meaning of Section 506 (1) of the Income and Corporation Taxes Act 1988. The University is recognised as a charity by HM Revenue & Customs and is recorded on the index of charities maintained by the Office of 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 (VAT). Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

17. Financial Instruments

The Institution has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments.

Financial assets

Financial assets are recognised when the University becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are de-recognised when the contractual rights have expired, or the asset has been transferred.

Financial assets are classified into the following categories: financial assets at fair value through profit and loss; held to maturity investments; available for sale financial assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the initial fair value of the financial asset.

At the end of the reporting period, the University assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in expenditure and the carrying amount of the asset is reduced directly through a provision for impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities

Financial liabilities are recognised on the statement of financial position when the University becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Loans are recognised at historical cost. Otherwise, financial liabilities are initially recognised at fair value.

18. Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund which the University must hold in perpetuity.

Other restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.



Consolidated and University Statement of Comprehensive Income for the year ended 31 July 2022

	Notes	2022		2021	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
Income					
Scottish Funding Council Grants	1	50,535	50,535	53,687	53,687
Tuition fees and education contracts	2	61,934	61,934	43,480	43,480
Research grants and contracts	3	17,366	17,366	13,289	13,289
Other income	4	24,875	24,875	13,694	13,694
Investment income	5	267	267	192	192
Donations and endowments	6	278	278	136	136
Total income		155,255	155,255	124,478	124,478

Expenditure					
Staff costs	7	79,086	79,086	77,600	77,600
Movement on pensions	7	31,996	31,996	(7,632)	(7,632)
Other operating expenses	9	45,004	45,038	31,645	31,668
Depreciation	11	9,362	9,362	8,045	8,045
Interest and other finance costs	8	3,205	3,205	3,268	3,268
Total expenditure		168,653	168,687	112,926	112,948

(Deficit)/Surplus before other gains losses and share of operating (deficit) of joint ventures		(13,398)	(13,433)	11,553	11,530
Gain on disposal of fixed assets	11	-	-	32	32
Loss on investment Property	12	(100)	(100)	(70)	(70)
Share of operating (deficit) in joint venture	13	(514)	-	(770)	-
(Deficit)/Surplus before tax		(14,012)	(13,533)	10,744	11,491

Taxation	10	(357)	(357)	(21)	(21)
(Deficit)/Surplus for the year		(14,369)	(13,890)	10,723	11,470
Actuarial (loss)/gain in respect of pension schemes	30	(5,688)	(5,688)	11,669	11,669
Total comprehensive (expenditure)/income for the year		(20,057)	(19,578)	22,392	23,139

Represented by:					
Endowment comprehensive income for the year	20	9	9	85	85
Restricted comprehensive income for the year	21	38	38	17	17
Unrestricted comprehensive income for the year		(20,104)	(19,625)	22,290	23,037
		(20,057)	(19,578)	22,392	23,139

The notes on pages 44 to 65 form part of the financial statements.

Consolidated and University Statement of Changes in Reserves

Consolidated Statement	Income and expenditure account			Total £'000
	Endowment £'000	Restricted £'000	Unrestricted £'000	
Balance at 1 August 2020	1,776	2,930	127,767	132,473
Surplus from the income and expenditure statement	-	-	10,723	10,723
Other comprehensive income	-	-	11,669	11,669
Release of restricted funds spent in year	85	17	(102)	-
Total comprehensive income for the year	85	17	22,289	22,392
Balance at 31 July 2021	1,861	2,947	150,056	154,864
Deficit from the income and expenditure statement	-	-	(14,369)	(14,369)
Other comprehensive expense	-	-	(5,688)	(5,688)
Release of restricted funds spent in year	9	38	(47)	-
Total comprehensive income and expenditure for the year	9	38	(20,104)	(20,057)
Balance at 31 July 2022	1,870	2,985	129,953	134,808
University	Income and expenditure account			Total £'000
	Endowment £'000	Restricted £'000	Unrestricted £'000	
Balance at 1 August 2020	1,776	2,930	131,225	135,931
Surplus from the income and expenditure statement	-	-	11,470	11,470
Other comprehensive income	-	-	11,669	11,669
Release of restricted funds spent in year	85	17	(102)	-
Total comprehensive income for the year	85	17	23,037	23,139
Balance at 31 July 2021	1,861	2,947	154,262	159,070
Deficit from the income and expenditure statement	-	-	(13,890)	(13,890)
Other comprehensive income	-	-	(5,688)	(5,688)
Release of restricted funds spent in year	9	38	(47)	-
Total comprehensive income and expenditure for the year	9	38	(19,625)	(19,578)
Balance at 31 July 2022	1,870	2,985	134,637	139,492

The notes on pages 44 to 65 form part of the financial statements.

Consolidated and University Statement of Financial Position as at 31 July 2022

	Notes	2022		2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Fixed assets	11	229,524	229,524	228,756	228,756
Trade and other receivables	15	4,390	4,390	4,190	4,190
Investment property	12	1,900	1,900	2,000	2,000
Investment in joint venture	13	82	-	114	-
		235,896	235,814	235,060	234,946
Current assets					
Stock	14	525	455	337	337
Trade and other receivables	15	20,230	22,342	20,616	20,642
Investments	16	26,192	26,192	1,117	1,117
Cash and cash equivalents	22	57,460	57,312	76,722	76,222
		104,407	106,301	98,792	98,318
Less: Creditors: amounts falling due within one year	17	(59,548)	(61,526)	(58,986)	(58,563)
		44,859	44,775	39,806	39,755
Net current assets					
Total assets less current liabilities		280,755	280,589	274,866	274,701
Creditors: amounts falling due after more than one year	18	(92,537)	(92,537)	(103,035)	(103,035)
Provisions					
USS Pension Provision	19	(54,475)	(54,475)	(22,505)	(22,505)
Other provisions	19	(912)	(912)	(1,751)	(1,751)
Joint Venture Loss Provision	13	(4,852)	-	(4,370)	-
Pension Asset	30	6,829	6,829	11,660	11,660
Total net assets		134,808	139,494	154,865	159,070
Restricted Reserves					
Income and expenditure reserve - endowment reserve	20	1,870	1,870	1,861	1,861
Income and expenditure reserve - restricted reserve	21	2,985	2,985	2,947	2,947
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		129,953	134,639	150,057	154,262
Total Reserves		134,808	139,494	154,865	159,070

The notes on pages 44 to 65 form part of the financial statements.

The Financial Statements were approved by the University Court on the 12 December 2022 and signed on its behalf by:



G. McCormac
Principal and Vice-Chancellor



H. Grossart
Chair, Joint Policy Planning and
Resources Committee



R. Edwards
Deputy Director of Finance

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

University of Stirling Cash flow statement	Notes	2022 £'000	2021 £'000
Cashflow from operating activities			
(Deficit)/surplus for the year		(14,369)	10,723
Adjustment for non-cash items			
Depreciation	11	9,362	8,045
Loss on investment property	12	100	70
(Gain) on investments		(7)	(121)
Net change on pensions scheme less contribution		(857)	(6,869)
Increase in stocks	14	(188)	(25)
(Increase)/Decrease in debtors	15	(180)	211
Increase in creditors		611	17,929
Increase/(Decrease) in provision for employee benefits	19	31,970	(1,346)
(Decrease) in provisions	19	(839)	(1,542)
Share of deficit in joint venture	13	514	770
Non cash donation held as investment		-	210
Adjustment for investing or financing activities			
Investment Income	5	(267)	(71)
Interest Payable (inc. effective int rate adj)		3,214	3,002
Gain on disposal of fixed assets		-	(32)
Regional City Deal Grant		(2,204)	-
Capital Income Grant		(1,181)	(1,571)
Net cash flows from operating activity		25,679	29,383
Cash flows from investing activities			
Insurance Spend		-	(1,170)
Insurance Receipt		566	1,200
Proceeds from sale of fixed assets	11	-	62
Regional City Deal Grant		2,204	-
Capital Grants receipts	1	1,181	1,571
Investment Income	5	267	71
Payments made to acquire fixed assets		(10,282)	(15,974)
Increase in current investments	16	(25,075)	(334)
Increase in loans to joint ventures	15	(200)	(1,185)
		(31,339)	(15,760)
Cash flows from financing activities			
Interest Paid	8	(3,213)	(3,000)
Receipt of unsecured loans	18	-	26,716
Repayment of loans	18	(10,389)	(138)
		(13,602)	23,578
(Decrease)/Increase in cash and cash equivalents in the year		(19,262)	37,203
Opening Cash balance	22	76,722	39,519
Movement	22	(19,262)	37,203
Closing Cash Balance	22	57,460	76,722

The notes on pages 44 to 65 form part of the financial statements.

Notes to the Financial Statements

	Notes	2022		2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
1	Scottish Funding Council Grants				
		36,743	36,743	36,229	36,229
		10,491	10,491	12,417	12,417
		2,119	2,119	3,470	3,470
		1,181	1,181	1,571	1,571
		50,534	50,534	53,687	53,687
2	Tuition Fees and Education Contracts				
		17,913	17,913	15,535	15,535
		4,660	4,660	3,238	3,238
		7,851	7,851	6,994	6,994
		30,991	30,991	16,848	16,848
		519	519	631	631
		-	-	234	234
		61,934	61,934	43,480	43,480
3	Research grants and contracts				
		8,033	8,033	5,937	5,937
		1,953	1,953	1,480	1,480
		4,186	4,186	3,644	3,644
		773	773	438	438
		972	972	1,254	1,254
		415	415	393	393
		815	815	-	-
		152	152	143	143
		17,366	17,366	13,290	13,290
4	Other income				
		1,383	1,383	1,331	1,331
		4,702	4,702	595	595
		11,351	11,351	7,342	7,342
		2,092	2,092	784	784
		3,936	3,936	3,160	3,160
		1,390	1,390	-	-
		21	21	482	482
		24,875	24,875	13,694	13,694
5	Investment income				
	20	17	17	47	47
		249	249	145	145
		266	266	192	192
6	Donations and endowments				
	20	0	0	42	42
	21	166	166	53	53
		7	7	5	5
		106	106	36	36
		279	279	136	136

Notes to the Financial Statements

7	Notes	2022		2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Staff costs					
Salaries		61,132	61,132	60,270	60,270
Social security costs		5,832	5,832	5,653	5,653
Apprenticeship Levy		281	281	275	275
Other pension costs		11,841	11,841	11,402	11,402
Staff Cost before Pension movements		79,086	79,086	77,600	77,600

Movement on USS provision		31,775	31,775	(1,520)	(1,520)
USPS Expenses		221	221	288	288
USPS Removal of allowance for discretionary increases		-	-	(6,400)	(6,400)
Total		111,082	111,082	69,968	69,968

		2022	2021	2022	2021
Staff numbers by major category:		Number	Number	£'000	£'000
Academic Schools		657	628	40,975	40,831
Academic Services		87	88	6,392	4,710
Administration and Central Services		258	248	12,961	12,827
Premises		122	92	2,878	2,918
Research Grants and Contracts		168	140	8,984	8,398
Catering and residence		85	119	4,828	4,995
Other		98	80	2,067	2,921
Total		1,475	1,395	79,085	77,600

Pay Multiples

	2022 £'000	2021 £'000
Emoluments of the Vice-Chancellor:		
Salary	295	291
Benefits	9	1
Pension contributions to USSs	16	6
Total	321	298

The University is required to disclose the relationship between the remuneration of their Vice-Chancellor and the median remuneration of the University's workforce. The calculation is based on the full-time equivalent staff of the reporting entity at the reporting period end date on an annualised basis and relates to basic pay including contractual allowances, statutory holiday pay and including employer pension contributions.

	2022	2021
Median total remuneration of all staff	45,560	43,409
Remuneration Ratio	6.48	6.7

Notes to the Financial Statements (continued)

7 Staff costs (continued)

Remuneration of other higher paid staff, excluding employer's pension contributions

	2022 Number	2021 Number
£100,000 to £109,999	12	19
£110,000 to £119,999	5	4
£120,000 to £129,999	4	2
£130,000 to £139,999	3	4
£140,000 to £149,999	1	1
£150,000 to £159,999	2	-
£160,000 to £169,999	1	1
£170,000 to £179,999	-	1
£180,000 to £189,999	1	-
£190,000 to £199,000	-	-
£200,000 to £210,000	1	1
Total	30	33

There was no compensation for loss of office payable to higher paid members of staff.

Key management personnel compensation

The key management personnel are the Senior Executive team who are known as the University Strategy & Policy Group (USPG) and consists of ten positions:

1. Principal and Vice Chancellor;
2. University Secretary and Chief Operating Officer;
3. Senior Deputy Principal (Operational Strategy and External Affairs);
4. Deputy Principal (Research);
5. Deputy Principal (Education & Students);
6. Deputy Principal (Internationalisation);
7. Deputy Secretary and Director of SACS;
8. Executive Director of Finance;
9. Executive Director of HR & Organisational Development;
10. Executive Director of Communications, Marketing & Recruitment.

Key management personnel compensation

	2022 £'000	2021 £'000
Salary, pensions and other emoluments	1,779	1,733

Notes to the Financial Statements (continued)

7 Staff costs (continued)

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 transactions will take place with organisations in which a member of the Court may have an interest. All transactions involving organisations in which a member of Court may have an interest, including those identified below, are conducted at arms' length and in accordance with the University's Financial Regulations and usual procurement procedures.

Organisation	Individual Board Member	2022				2021			
		Income £'000	Expenditure £'000	Debtor £'000	Creditor £'000	Income £'000	Expenditure £'000	Debtor £'000	Creditor £'000
University of Stirling Students' Union	Mary Allison; Nela Cadinanos Gonzalez; Alyson MacKay; Tash Miller; Jess Reid	2	695	0	1	0	513	8	0
Total		2	695	0	1	0	513	8	0

The chair of court received remuneration of £22,000 in 2021/22.

The only other expenses paid to court members in 2021/22 or 2021/20 were those paid to reimburse members for out-of-pocket expenses.

Notes to the Financial Statements (continued)

8 Interest and other finance costs	2022		2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Loan interest	3,214	3,214	3,002	3,002
Unwinding of USS pension provision	196	196	174	174
Net charge on pension scheme	(204)	(204)	92	92
Total	3,206	3,206	3,268	3,268
9 Analysis of total expenditure by activity				
Academic Departments	45,792	45,792	45,173	45,173
Academic Services	11,892	11,892	12,009	12,009
Administration and Central Services	27,607	27,607	22,807	22,807
Premises	6,943	6,943	5,966	5,966
Research Grants and Contracts	16,631	16,631	10,471	10,471
Consultancy and other services rendered	2,235	2,235	1,413	1,413
Commercial Services	4,869	4,903	2,734	2,757
Accommodation Services	11,401	11,401	10,598	10,598
Sports Development Services	2,744	2,744	2,501	2,501
Early Retirement and Severance	187	187	774	774
Pensions (USS and USPS)	31,996	31,996	(7,632)	(7,632)
Other expenses	6,356	6,356	6,111	6,111
Total	168,653	168,687	112,924	119,949
Other operating expenses include:				
External auditors remuneration in respect of audit services	196	196	113	113
External auditors remuneration in respect of non-audit services	9	9	88	88
Internal auditors remuneration	91	91	56	56
USPS Contributions	874	874	849	849
Operating lease rentals:				
Land and buildings	881	881	754	754
10 Taxation				
Recognised in SOCI	357	357	21	21
Total	357	357	21	21

The tax expenses incurred in 2021/22 relates to corporate income tax associated with international partnerships operating in Singapore and China.

Notes to the Financial Statements (continued)

11 Fixed Assets	Freehold Land and Buildings	Leasehold Land and Buildings	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2021	252,487	446	30,293	17,834	301,060
Additions	4,053	-	1,089	4,989	10,131
Transfers	15,728	-	636	(16,364)	-
Disposals	-	-	(1,791)	-	(1,791)
At 31 July 2022	272,268	446	30,227	6,459	309,400
Accumulated depreciation					
At 1 August 2021	(48,711)	(104)	(23,490)	-	(72,305)
Charge for the year	(7,583)	(12)	(1,767)	-	(9,362)
Disposals	-	-	1,791	-	1,791
At 31 July 2022	(56,294)	(116)	(23,466)	-	(79,876)
Net book value					
At 31 July 2022	215,975	330	6,761	6,459	229,524
At 31 July 2021	203,777	342	6,803	17,834	228,756

A revaluation of the University's land and buildings was undertaken at the statement of financial position date of 31 July 2014 by the external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. In accordance with the University of Stirling's accounting policies and relevant accounting standards, the fixed assets of the University will be held at this value under the historic cost model. Since 31 July 2014 there have been no significant events that would indicate that the value of the land and building has altered significantly.

Freehold Land and Buildings

Freehold Land and Buildings contains £9.82m of freehold land (2020/21: £9.82m) which is not depreciated.

Assets under construction

Assets under construction as at the 31 July 2022 include the following projects: City Region Deal (£3m); the Link Bridge (£0.42m); Fire Stopping (£0.4m); Phased Replacement of Screens in Pathfoot (£0.24m) and Curriculum Management software project (£0.29m).

Software

Software with a net book value of £0.8m is included within equipment.

Notes to the Financial Statements (continued)

11 Fixed Assets (continued)

Heritage Assets

The University has three collections of heritage assets. The collections are accounted for as follows:

Library collections: The University does not consider that reliable costs or valuation information can be obtained for the vast majority of items held in the library collections. This is due to the diverse nature of the assets held, the number of assets held and the lack of comparable market values. The University does not therefore recognise these assets on its Statement of financial position, other than recent acquisitions which are reported at cost when purchased, or at the Special Collections Librarian's best estimate of market value where the object is donated in the current year.

Artefacts: As with the Library Collections, the University does not consider that reliable costs or valuation information can be obtained for the artefacts held. The University does not therefore recognise these assets on its statement of financial position, other than recent acquisitions which are reported at cost when purchased.

Art Collection: The University holds a number of works of art which are not included in the statement of financial position because they have either been loaned to the University or are owned by the University but under the terms of their gift are not eligible for re-sale. Those items which are owned without a re-sale condition are not held on the statement of financial position since reliable cost information is not available for items acquired many years ago.

The University Art Collection operates under a Code of Ethics set down by the Museum Association museumsassociation.org/ethics/code-of-ethics. These ethics outline a code of practice which strongly advocates retention of items. It is therefore highly unlikely that the University would ever dispose of items from its art collection.

12 Investment Property	2022		2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Balance at 1 August	2,000	2,000	2,070	2,070
Change in Fair Value	(100)	(100)	(70)	(70)
Total	1,900	1,900	2,000	2,000

The University purchased Scion House in March 2018. The purpose of the building is to earn rental yields. A revaluation of the property was undertaken at the statement of financial position date of 31 July 2022 by the external valuer, JLL LLP, a regulated firm of Chartered Surveyors. The change in the fair value of the asset was recognised in the statement of comprehensive income.

13 Investment in Joint Ventures

Stirling University Innovation Park Ltd (SUIP)

The University holds a 50% share of the issued share capital of Stirling University Innovation Park Limited. This is a jointly controlled entity owned equally by the University and Stirling Council. The principal activity of the company is the development, promotion and management of Stirling University Innovation Park. The arrangement is accounted for using the equity method, such that 50% of the company's gross assets and liabilities are incorporated into the consolidated statement of financial position of the University and 50% of its (deficit)/surplus is reported in the University's consolidated income and expenditure account.

Notes to the Financial Statements (continued)

13 Investment in Joint Ventures (continued)

	2022		2021	
	£'000	£'000	£'000	£'000
Income and expenditure account				
Income		<u>249</u>		<u>253</u>
(Deficit) before tax		<u>(42)</u>		<u>(10)</u>
Balance sheet				
Fixed assets	195		228	
Current assets	91		<u>221</u>	
		<u>286</u>		<u>439</u>
Creditors: amounts due within one year	(195)		(325)	
Creditors: amounts due after more than one year	(9)		0	
		<u>(204)</u>		<u>(325)</u>
Share of net assets		82		114

INTO University of Stirling LLP (INTO)

The University holds a 50% share in INTO University of Stirling LLP which is jointly controlled between the University and INTO University Partnerships Limited and was created in financial year 2013/14. The joint venture is creating a world-class international study centre in Stirling which will provide a range of academic and English language preparation courses for international students. The entity is accounted for using the equity method, such that 50% of the company's gross assets and liabilities are incorporated into the consolidated statement of financial position of the University and 50% of its deficit is reported in the University's consolidate income and expenditure account.

	2022		2021	
	£'000	£'000	£'000	£'000
Income and expenditure account				
Income		<u>1,737</u>		<u>1,245</u>
Deficit before tax		<u>(482)</u>		<u>(761)</u>
Balance sheet				
Fixed assets	330		350	
Current assets	909		<u>1,087</u>	
		<u>1,239</u>		<u>1,437</u>
Creditors: amounts due within one year	(3,691)		(3,508)	
Creditors: amounts due after more than one year	(2,400)		(2,300)	
		<u>(6,091)</u>		<u>(5,808)</u>
Share of net liabilities		(4,852)		(4,371)

Notes to the Financial Statements (continued)

14	Stock	2022		2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
	General Consumables	525	455	337	337
	Total	525	455	337	337
15	Trade and other receivables				
	Amounts falling due within one year:				
	Research grants receivables	1,101	1,101	1,457	1,457
	Non-research trade receivables	14,647	16,759	13,403	13,429
	Prepayments and trade receivables	4,483	4,483	5,756	5,756
	Total	20,231	22,343	20,616	20,642
	Amounts falling due after more than one year:				
	Trade receivables	4,390	4,390	4,190	4,190
	Total	4,390	4,390	4,190	4,190
16	Current Investments				
	Short term investment in shares	728	728	685	685
	Short term bonds	357	357	367	367
	Short term deposits	25,107	25,107	65	65
	Total	26,192	26,192	1,117	1,117
17	Creditors : amounts falling due within one year				
	Unsecured loans	10,499	10,499	10,389	10,389
	Trade payables	12,402	14,380	12,157	11,725
	Social security and other taxation payable	5,141	5,141	2,563	2,563
	Accruals and deferred income	31,506	31,506	33,877	33,886
	Total	59,548	61,526	58,986	58,563

Deferred income

Included with accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

	2022		2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Research grants received on account	6,685	6,685	7,324	7,324
Non-research deferred income	14,814	14,814	15,118	15,118
Total	21,499	21,499	22,442	22,442

Notes to the Financial Statements (continued)

18 Creditors: amounts falling due after more than one year	2022		2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Unsecured loans	92,537	92,537	103,035	103,035
Total	92,537	92,537	103,035	103,035
Analysis of unsecured loans:				
Due within one year (Note 17)	10,499	10,499	10,389	10,389
Due between one and two years	827	827	389	389
Due between two and five years	2,369	2,369	4,219	4,219
Due in five years or more	89,341	89,341	98,427	98,427
Total	103,036	103,036	113,424	113,424

Lender	Amount £'000	Term	Interest rate	Borrower
Lloyds TSB - Revolving Credit Facility	10,000	2027	0.19% above Bank of England base rate	University
Salix	156	2025	0%	University
Scottish Funding Council	7,000	2039	Fixed at 0.25%	University
Scottish Funding Council	6,296	2041	Fixed at 0.25%	University
Private Placement	9,954	2033	Fixed at 3.65%	University
Private Placement	19,901	2036	Fixed at 3.77%	University
Private Placement	19,887	2048	Fixed at 3.96%	University
Private Placement	19,892	2043	Fixed at 3.28%	University
Private Placement	9,950	2048	Fixed at 3.32%	University
Total	103,036			

19 Provisions for liabilities

Consolidated and University	Obligation to fund deficit on USS Pension Scheme £'000	Other Provisions £'000	Total £'000
At 1 August 2021	22,505	1,751	24,256
Change in expected contributions	33,142	-	33,142
Unwinding of discount factor	195	-	195
Deficit contributions paid	(1,367)	-	(1,367)
Utilised in year	-	(748)	(748)
Additions in 2021/22	-	388	388
Unused amounts reversed in 2021/22	-	(479)	(479)
At 31 July 2022	54,475	912	55,387

Notes to the Financial Statements (continued)

19 Provisions for liabilities

University Superannuation Scheme pension deficit (USS Pension)

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 this provision.

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%.

Other Provisions

The £0.9 million within other provisions relate to various individual provisions that because of their commercially sensitive nature cannot be disclosed.

20 Endowment Reserves

Consolidated and University

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £'000	Expendable endowments £'000	2022 Total £'000	2021 Total £'000
Capital	203	1,285	1,488	1,488
Accumulated income	132	241	373	288
Balances at 1 August 2021	335	1,526	1,861	1,776
New donations/transfer in to fund	-	-	-	42
Investment income	12	-	12	46
Expenditure	(3)	-	(3)	(3)
Total endowment comprehensive income for the year	9	-	9	85
At 31 July 2022	344	1,526	1,870	1,861

	Restricted permanent endowments £'000	Expendable endowments £'000	2022 Total £'000	2021 Total £'000
Represented by:				
Capital	203	1,285	1,488	1,488
Accumulated income	140	241	382	373
	343	1,526	1,870	1,861
Analysis by asset:				
Current and non-current asset investments	120	-	120	120
Cash & cash equivalents	223	1,527	1,749	1,741
	344	1,526	1,870	1,861

Notes to the Financial Statements (continued)

21 Restricted Reserves

Consolidated and University

Reserves with restrictions are as follows:

	Research Investment Funds £'000	Departmental Discretionary Funds £'000	Donations £'000	2022 Total £'000	2021 Total £'000
Balances at 1 August 2021	90	324	2,537	2,947	2,930
New donations/transfer in to fund	-	-	173	173	58
Expenditure	-	(26)	(109)	(135)	(41)
Total restricted comprehensive income for the year	-	(26)	64	38	17
At 31 July 2022	90	298	2,601	2,985	2,947

All restricted donations are general in purpose.

22 Cash and cash equivalents

	At 1 August 2021 £'000	Cash Flows £'000	At 31 July 2022 £'000
Consolidated			
Cash and cash equivalents	76,722	(19,262)	57,460
	76,722	(19,262)	57,460

23 Financial Instruments

Consolidated and University

Carrying amount of financial instruments

The carrying amount of the financial assets and liabilities include:

	2022		2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Financial Assets				
Measured at fair value through Income and Expenditure	120	120	120	120
Assets measured at cost less impairment	105,726	105,726	98,334	97,860
	105,846	105,846	98,454	97,980
Financial Liabilities				
Liabilities measured at amortised cost	(51,053)	(51,027)	(48,606)	(48,173)
Loan commitments measured at amortised cost	(103,036)	(103,036)	(113,424)	(113,424)
	(154,089)	(154,062)	(162,029)	(161,597)

Notes to the Financial Statements (continued)

23 Financial Instruments (continued)

Risk Management

The University operates a centralised treasury management function which is responsible for managing the credit, liquidity, interest and foreign currency risk. These financial risks are managed within the parameters specified by the JPPRC approved treasury management policy. The treasury management policy adopts the key recommendations of the Code of Practice on Treasury Management in Public Service as issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) as recommended by the Higher Education Funding Council for England (HEFCE) and is reviewed, updated and approved annually.

The University's principal financial instruments are cash, investments and loans. The core objective of these financial instruments is to meet the financing needs of the University's operations. Additionally, the University has other financial assets and liabilities arising directly from its operations i.e. trade debtors and creditors.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the University.

The University's credit risk arises from bank balances, investments, student debtors and commercial organisations as customers. Management of credit risk is a prime objective of the Treasury Management policy. At 31 July 2022, the maximum exposure is represented by the carrying value of each financial asset in the statement of financial position.

The credit risk of liquid funds and financial instruments is limited because the counterparties are banks with investment grade credit ratings assigned by international credit-rating agencies. The University's exposure and the credit ratings of its counterparties are monitored regularly. The credit exposure is limited by counterparty limits and minimum counterparty credit ratings set within the treasury management policy.

Student and commercial debtors are reviewed on an on-going basis and a bad debt provision is made if recovery becomes uncertain. If a debtor is deemed irrecoverable it is written off. The concentration of risk is limited due to a large number of diverse customers across both students and commercial customer populations.

Liquidity Risk

The University manages liquidity risk by maintaining adequate cash balances, banking facilities, and borrowing facilities, by continuously monitoring forecast and actual cashflows and by matching the maturity profiles of certain financial assets and liabilities.

Foreign Currency Risk

Foreign currency risk refers to the risk that unfavourable movement in exchange rates may cause financial loss to the University. The University is exposed to currency risk in transactions and balances that are denominated in currencies other than sterling. Whenever practical, the University enters into agreements in its functional currency in order to minimise currency risks.

Interest Rate Risk

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations of the value of the statement of financial position items (i.e. price risk) or changes in interest income or expenses (i.e. re-investments risk).

The University has loans totalling £103 million. The interest rates attached to the private placements and Scottish Funding Council loans are fixed over the term of each loan.

Notes to the Financial Statements (continued)

24 Capital Commitments

Provision has not been made for the following capital commitments at 31 July 2022:

	2022		2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Commitments contracted for	7,744	7,744	7,451	7,451
Total	7,744	7,744	7,451	7,451

The University has entered into contractual commitments for various projects including IT infrastructure and systems (£2.2 million), Estates and Campus infrastructure (£1.9 million), Campus Central (£0.6 million), IT infrastructure and systems (£2.2 million), and Machrihanish (0.3 million).

25 Contingent Liabilities

There were no contingent liabilities as at 31 July 2022.

26 Lease obligations

Total rentals receivable under operating leases as lessor:

	2022	2021
	Land and Buildings £'000	Land and Buildings £'000
Receivable during the year	742	736
Future minimum lease payments due:		
Not later than 1 year	470	435
Later than 1 year and not later than 5 years	1,247	1,517
Later than 5 years	5,303	5,329
Total lease payments due	7,020	7,281
Total rentals payable under operating leases as lessee:		
	£'000	£'000
Payable during the year	881	754
Future minimum lease payments due:		
Not later than 1 year	881	675
Later than 1 year and not later than 5 years	1,727	1,732
Later than 5 years	1,727	2,160
Total lease payments due	4,335	4,567

Notes to the Financial Statements (continued)

27 Related Party Transactions

In addition to the transactions disclosed in note 7 there were additional related party transactions.

The University of Stirling Pension Scheme (USPS) is held for the benefit of employees of the University only. Although the USPS scheme is managed by an external party, control of the scheme rests with the University and so transactions between the University and the USPS scheme are considered related party transactions.

The University holds a 50% share of the issued share capital of Stirling University Innovation Park Limited (SUIP). SUIP has been accounted for as a jointly controlled entity and transactions between the University and SUIP do not fully eliminate on consolidation and should therefore be disclosed as related party transactions.

	2022				2021			
	Income £'000	Expenditure £'000	Debtor £'000	Creditor £'000	Income £'000	Expenditure £'000	Debtor £'000	Creditor £'000
Pension Providers								
University of Stirling Pension Scheme (USPS)	-	874	-	-	-	849	-	-
University Companies/ Collaborations								
Stirling University Innovation Park	566	243	265	53	17	43	-	348
Total	566	1,117	265	53	17	892	-	348

28 Subsidiary Undertakings

The subsidiary companies wholly owned or effectively controlled by the University, are as follows:

The University owns 100% of the issued share capital of ordinary shares of Stirling Hotel Services Limited. The principal activity of the company is to operate the hotel services at Stirling Court Hotel. The company's results have been consolidated into the University's financial statements. The registered office of Stirling Hotel Services Limited is Stirling Court Hotel, University of Stirling, Stirling, Scotland, FK9 4LA.

The University owns 100% of the issued share capital of ordinary shares of UoS Education Limited. The principal activity of the company during the year was to be a member of and provide a revolving loan facility to INTO University of Stirling LLP. The University consolidates UoS Education Limited, all the transactions in year between the University and UoS Education Limited are eliminated on consolidation. The registered office of UoS Education Limited is Finance Office, Cottrell Building, University of Stirling, Stirling, Scotland, FK9 4LA.

The University owns 100% of the issued share capital of ordinary shares in Machrihanish Marine Farm Limited, Stirling Salmon Limited, Stirling Aquaculture Ltd, Stirling University Residential Accommodation Limited (SURA), and SURE shelf Limited. These companies have filed dormant accounts for financial year 2021/22. As dormant companies they still require to be consolidated within the group accounts. The registered offices of these companies are Finance Office, University of Stirling, Stirling, Scotland, FK9 4LA.

Notes to the Financial Statements (continued)

29 HE Support Funds

	2022						2021
	Childcare £'000	Undergraduate Discretionary £'000	Postgraduate Discretionary £'000	Nursing & Midwifery £'000	Covid Discretionary £'000	Total £'000	Total £'000
Allocation received in year	(284)	(392)	(90)	(60)	(782)	(1,608)	(1,010)
Expenditure	164	649	180	60	300	1,353	1,008
Bank Interest	-	-	-	-	(2)	(2)	0
Virements between funds	-	(257)	(90)	-	346	1	-
Previous Year loans repaid in academic year	-	-	-	-	2	2	-
Funds to be returned to SAAS	(120)	-	-	-	(136)	(256)	(2)

30 Pension Schemes

The University participates in two pensions schemes: the Universities Superannuation Scheme (USS) and the University of Stirling Pension Scheme (USPS). USS is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. USPS is a defined benefit scheme. The assets of both schemes are held in separate trustee administered funds.

	2022	2021
	£'000	£'000
USS: Contributions paid	12,073	11,402
USPS: Contributions paid	874	849
Total Pensions Costs Note 7 and 9	12,947	12,251

University Superannuation Scheme

The total charged to the Statement of Comprehensive Income and Expenditure (SOCIE) is £43.8 million (2021: £10.1 million) as shown in notes 7 and 8.

The latest available complete actuarial valuation of the Retirement Income Builder section of the scheme is at 31 March 2020 ("the valuation date"), which was carried out using the projected unit method.

Since the institution cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2020 valuation was the sixth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-fundingprinciples).

Notes to the Financial Statements (continued)

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2022	2021
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females.	Pre-retirement
		71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females
		Post retirement
		97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% p.a. for males and 1.6% for females.	CMI_2017 with a smoothing parameter of 8.5 and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.

The current life expectancies on retirement at age 65 are:

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

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2022	2021
Discount rate	3.31%	0.87%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.73%	2.67%

Notes to the Financial Statements (continued)

30 Pension Schemes (continued)

University of Stirling Pension Scheme

The University sponsors the University of Stirling Pension Scheme, a funded defined benefit pension scheme in the UK. The Scheme is set up on a tax relieved basis as a separate trust independent of the University and is supervised by a board of trustees. The Trustees are responsible for ensuring that the correct benefits are paid, that the Scheme is appropriately funded and that scheme assets are appropriately invested. The Scheme was closed to future accrual in 2013.

The University pays the cost of the Scheme as determined by regular actuarial valuations. The Trustees are required to use prudent assumptions to value the liabilities of the Scheme whereas the accounting assumptions must be best estimates.

A formal actuarial funding valuation was carried out as at 31 July 2021. The University continues to make contributions to the Scheme, in 2021/22 this contribution was £874,000. These contributions are payable for a period of 7 years and 4 months from 1 August 2021 and will increase each year on 1 August at 3% per annum. The first increase applied on 1 August 2022.

The results of the 31 July 2021 valuation have been projected to 31 July 2022 with allowance for cash flows over the period and using the assumptions set out below. The figures in the following disclosure were measured using the Projected Unit Method.

The amounts recognised in the statement of financial position are as follows:

	2022 £'000	2021 £'000
Defined benefit obligation	(70,141)	(88,673)
Fair value of plan assets	76,970	100,333
Net amount recognised at year end	6,829	11,660

The amounts recognised in comprehensive income are:

The current and past service costs, settlement, and curtailments, together with the net interest expense for the year are included in profit or loss. Remeasurements of the net defined benefit liability are included in other comprehensive income.

	2022 £'000	2021 £'000
Service cost:		
Current service cost (net of employee contributions)	-	-
Administration expenses	221	288
Loss on plan introductions, changes, curtailments, and settlements	-	(6,400)
Net interest (credit)/expense	(204)	92
Charge recognised in profit or loss	17	(6,020)
Remeasurements of the net liability:		
Return on scheme assets (excluding amount included in net interest expense)	23,662	(5,792)
Actuarial gains	(17,974)	(5,877)
Charge/(credit) recorded in other comprehensive income	5,688	(11,669)
Total defined benefit cost/(credit)	5,705	(17,689)

Notes to the Financial Statements (continued)

30 Pension Schemes (continued)

The principal actuarial assumption used:

	2022	2021
Liability discount rate	3.50%	1.70%
Inflation assumption – RPI (pre-2030)	3.20%	3.20%
Inflation assumption – RPI (post-2030)	3.00%	3.00%
Inflation assumption – CPI (pre-2030)	2.30%	2.30%
Inflation assumption – CPI (post-2030)	2.90%	2.90%
Rate of increase in salaries (pre-2030)	2.30%	2.30%
Rate of increase in salaries (post-2030)	2.90%	2.90%

Revaluation of deferred pensions:

	2022	2021
- in line with CPI inflation capped at 5% p.a. (pre-2030)	2.30%	2.30%
- in line with CPI inflation capped at 5% p.a. (post-2030)	2.90%	2.90%
- in line with CPI inflation capped at 2.5% p.a. (pre-2030)	2.30%	2.30%
- in line with CPI inflation capped at 2.5% p.a. (post-2030)	2.50%	2.50%

Increases for pensions in payment:

	2022	2021
- in line with CPI inflation capped at 3% p.a. (pre-2030)	2.00%	2.00%
- in line with CPI inflation capped at 3% p.a. (post-2030)	2.40%	2.40%
- in line with RPI inflation capped at 2.5% p.a. (pre-2030)	2.20%	2.20%
- in line with RPI inflation capped at 2.5% p.a. (post-2030)	2.10%	2.10%
- in line with RPI inflation capped at 5% p.a. (pre-2030)	3.10%	3.10%
- in line with RPI inflation capped at 5% p.a. (post-2030)	2.90%	2.90%

Expected age at death of current pensioner at age 65:

	2022	2021
Male aged 65 at year end:	85.1	85.4
Female aged 65 at year end:	88.2	87.4

Expected age at death of current pensioner at age 45:

	2022	2021
Male aged 45 at year end:	86.3	87.0
Female aged 45 at year end:	89.7	88.9

Notes to the Financial Statements (continued)

30 Pension Schemes (continued)

Reconciliation of scheme assets and liabilities:

	Assets £'000	Liabilities £'000	Total £'000
At start of period	100,333	(88,673)	11,660
Benefits paid	(2,878)	2,878	-
Administration expenses	(221)	-	(221)
Current Service Cost	-	-	-
Contributions from the employer	874	-	874
Interest income/(expense)	1,694	(1,490)	204
Return on assets (excluding amount included in net interest expense)	(23,662)	-	(23,662)
Actuarial gains/(losses)	-	17,974	17,974
Addition of Insured Annuities to FRS102 Disclosures	830	(830)	-
At end of period	76,970	(70,141)	6,829

The return on plan assets:

	2022	2021
	£'000	£'000
Interest income	1,694	1,324
Return on plan assets (excluding amount included in net interest expense)	(23,662)	5,792
Total return on plan assets	(21,968)	7,116

The major categories of scheme assets are as follows:

	2022	2021
	£'000	£'000
Return seeking	27,903	38,731
Bonds/LDI	16,262	30,710
Corporates	12,769	18,047
Insured Annuities	830	-
Index Linked	3,162	3,817
Property	9,140	7,867
Other Cash	6,904	1,161
Total market value of assets	76,970	100,333

The Scheme has no investments in the University or in property occupied by the University.

Notes to the Financial Statements (continued)

31 US Department of Education Financial Responsibility Supplemental Schedule

In satisfaction of its obligations to facilitate students' access to US federal financial aid, the University is required, by the US Department of Education, to present the following Supplemental Schedule in a prescribed format.

The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets;
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition);
- presented in pounds sterling.

The schedules set out how each amount disclosed has been extracted from the financial statements. As set out above, the accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of accounting principles generally accepted in the United States of America.

Primary Reserve Ratio			Year ended 31 July 2022		Year ended 31 July 2021	
Page	Line item/related disclosures	Expendable Net Assets	£'000	£'000	£'000	£'000
42	SOFP - Income and expenditure reserve - unrestricted	Net assets without donor restrictions		129,953		150,056
42	SOFP - Income and expenditure reserve - endowment & restricted	Net assets with donor restrictions		4,855		4,808
42;58	SOFP - NCA - Trade and other receivables + Related Party Debtor	Secured and Unsecured related party receivable	4,655		4,190	
42	SOFP - NCA - Trade and other receivables + Related Party Debtor	Unsecured related party receivable		4,655		4,190
49	SOFP - Fixed assets - leasehold land and buildings	Property, plant and equipment net (includes Construction in progress)	229,195		228,414	
49	Note 11 - FLB + FFE at 31 July 2019 - Disposals - Impairment	Property, plant and equipment - pre-implementation		187,662		187,662
		Property, Plant and Equipment - post-implementation with outstanding debt for original purchase		-		-
49	Note 11 -	Property, Plant and Equipment - post-implementation without outstanding debt for original purchase		35,404		23,260
49	Note 11 - Assets in course of construction	Construction in process		6,459		17,834
42;49	SOFP - Leasehold land and buildings	Lease right-of-use, net	330		342	
42;49	SOFP - Leasehold land and buildings	Lease right-of-use asset pre-implementation		330		342
		Lease right-of-use asset post-implementation		-		-
		Intangible assets		-		-
42	SOFP - USS Pension Provision + Pension (liability)	Post-employment and pension liabilities		(47,646)		(10,845)
42;53	SOFP - 2021 Creditors: amounts falling due after more than one year + Unsecured loans <1 year	Long-term debt - for long term purposes	(103,036)		(113,424)	
42;53	SOFP - 2019 Creditors: amounts falling due after more than one year + Unsecured loans <1 year	Long-term debt - for long term purposes pre implementation		(86,846)		(86,846)
		Long-term debt - for long term purposes post implementation		-		-
53	Note 18 - SFC Loans + net of repayments	Long-term debt - for construction in process		(16,190)		(26,578)
		Lease right-of-use of asset liability		-		-
		Pre-implementation right of use leases		-		-
		Post implementation right-of-use leases		-		-
		Annuities with donor restrictions		-		-
53	Note 20 - Expendable Endowments	Term endowments with donor restrictions		1,527		1,526
		Life income funds with donor restrictions		-		-
42;53	SOFP - Income and expenditure reserve - restricted	Net assets with donor restrictions: restricted in perpetuity		3,328		3,282

Notes to the Financial Statements (continued)

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

Page	Line item/related disclosures	Total Expenses and Losses	Year ended 31 July 2022		Year ended 31 July 2021	
			£'000	£'000	£'000	£'000
40;55	SOCI - Total expenditure - Movement on pensions - Expenditure on restricted endowments - Expenditure on restricted donations	Total expenses without donor restrictions - taken directly from statement of activities		136,518		121,786
40	SOCI - Share of operating deficit in joint venture + Investment Income + (Loss) on Investments + USS pension movement + Actuarial losses	Non-operating and Net Investment (loss)		25,627		18,409
40	SOCI - Investment Income + (Loss)/ Gain on investments	Net investment losses		(167)		(122)
40	SOCI - USS pension movement + Actuarial losses	Pension-related changes other than net periodic costs		26,308		19,301

Equity Ratio			Year ended 31 July 2022		Year ended 31 July 2021	
Page	Line item/related disclosures	Modified Net Assets	£'000	£'000	£'000	£'000
42	SOFP - Income and expenditure reserve - unrestricted	Net assets without donor restrictions		129,953		150,056
42	SOFP - Income and expenditure reserve - endowment & restricted	Net assets with donor restrictions		4,855		4,808
		Intangible assets		-		-
42;58	SOFP - NCA - Trade and other receivables + Related Party Debtor	Secured and Unsecured related party receivable	4,655	-	4,190	-
42;58	SOFP - NCA - Trade and other receivables + Related Party Debtor	Unsecured related party receivable		4,655		4,190
		Modified Assets				
42	SOFP - Non current assets + current assets	Total assets		340,303		333,851
42;49	SOFP - Leasehold land and buildings	Lease right-of-use asset pre-implementation		330		342
		Pre-implementation right-of-use of asset liability		-		-
		Intangible assets		-		-
42;58	SOFP - NCA - Trade and other receivables + Related Party Debtor	Secured and Unsecured related party receivable	4,655		4,190	
42;58	SOFP -NCA - Trade and other receivables + Related Party Debtor	Unsecured related party receivable		4,655		4,190

Net Income Ratio			Year ended 31 July 2022		Year ended 31 July 2021	
Page	Line item/related disclosures	Net Income Ratio	£'000	£'000	£'000	£'000
42	SOFP - Movement in unrestricted reserves	Change in Net Assets Without Donor Restrictions		(20,104)		22,244
40	SOCI - SFC Grants + Tuition fees + Research grants + Other income + (Donations and endowments - restrictions - restrictions PRC) + gain on disposal of fixed assets	Total Revenues and Gains		154,717		124,260

Composition of Committees concerned directly with Finance

In the year ended 31 July 2022

Membership of Audit Committee

Mr K Fraser (Chair)*

Mr D Kearney*

Ms M Khnichich*

Rev M Roderick*

Membership of Joint Policy, Planning & Resources Committee (JPPRC)

Mr H Adam*

Ms S Gordon Hardy* (from 31/03/2022)

Mr H Grossart (Chair)*

Ms B McKissack* (to 31/07/2022)

Ms N C Gonazalez (to 31/05/2022)

Mrs A MacKay (to 31/05/2022)

Ms T Miller (from 01/06/2022)

Ms J Reid (from 01/06/2022)

Professor M MacLeod

Professor Sir G McCormac

Professor A Bowes

Professor A Jump

Professor J Phillips

Ms E Schofield

Professor L Sparks

Professor N Wylie

*Lay member

The University Court

In the year ended 31 July 2022

Ex-Officio Members:

Professor Sir (Francis) Gerard McCormac

BSc (Ulster), PhD (Southampton), FRSE, FSA, FRSA, FHEA – Principal and Vice-Chancellor

Professor Malcolm MacLeod

BSc, PhD (Aberdeen), FBPsS, FRSA – Senior Deputy Principal

Councillor Christine Simpson to 5 May 2022

MA (Edinburgh), MSc (Stirling) – Provost of Stirling

Councillor Douglas Dodds to 19 May 2022

Provost of Stirling

Student Members:

Ms Nela Cadinanos Gonzalez to 31 May 2022

President of the University of Stirling Students' Union

Ms Alyson Mackay to 31 May 2022

Vice President Communities, University of Stirling Students' Union

Ms Tash Miller from 01 June 2022

BA (Stirling) - President of the University of Stirling Students' Union

Ms Jess Reid from 01 June 2022

Vice President Communities, University of Stirling Students' Union

Lay Members:

Mr Harry Adam

BA (Stirling), MCIPD, MIOD – Chair of Court

Ms Mary Allison

BA (Edinburgh), MA (Edinburgh)

Dr Robert Black to 15 October 2021

MA (Aberdeen), MSc (Heriot Watt), MSc (Strathclyde), Hon DBA (Queen Margaret)

Mr Kenny Fraser

BA (Stirling), ICAS

The University Court (continued)

In the year ended 31 July 2022

Ms Susan Gordon Hardy

LLB (Glasgow), LLM (Tulane)

Mr Hamish Grossart

BA (Stirling)

Dr Poonam Gupta from 01 June 2022

BA (Shri Ram College of Commerce – Delhi), MBA (FSM),
PhD (Ecole Superieure Robert de Sorbon)

Mr Graham Hastie

BEng, MEng (Heriot Watt), MBA (INSEAD)

Mr Douglas Kearney

BA (Stirling), CA

Ms Barbara McKissack to July 2022

BA (Stirling)

Mr Julian Roberts from 01 June 2022

BA (Stirling), FCA

Ms Catriona Morrison MBE

BSc (Glasgow), MSc (University of Alberta), PGDip (Stirling)

Reverend Maggie Roderick

BA (Stirling), BD (St Andrews), DipCG (Strathclyde), DTS,
DCA, FCTSI, FRSA

Mr William Stancer from 01 June 2022

BA (Stirling)

Staff Members:

Dr Paul Cowell

BA (Stirling), PGCert (Stirling) MSc (Edinburgh), PhD (Stirling) –
Academic member of staff elected by member of staff

Ms Pam Crawford

MA (Edinburgh) PGDip (Strathclyde), MBA (Stirling) –
Professional services member of staff elected by members
of staff

Professor Julie Tinson from 31 March 2022

MA (Edinburgh), PhD (Napier), FHEA - Nominated by
Academic Council

Professor Jayne Donaldson

BN, MN, PhD (Glasgow). PGCE, PGC, BOE, RN, RNT –
nominated by Academic Council

Professor Peter Hancock

MA (Oxon), MSc (Brunel), PhD (Stirling) – Member of
Academic staff nominated by a trade union

Mr George MacLeod to 09 May 2022

BSc (Robert Gordon), BSc (Stirling), MPhil – Member of
Professional Services staff nominated by a trade union

Professor Holger Nehring

MA (Tuebingen), DPhil (Oxon), FHEA, FRHistS – nominated by
Academic Council



UNIVERSITY of
STIRLING



SCOTLAND'S
UNIVERSITY FOR
SPORTING
EXCELLENCE

UNIVERSITY of
STIRLING 

University of Stirling
Stirling FK9 4LA
Scotland UK

stir.ac.uk

The University of Stirling is a charity
registered in Scotland, number SC 011159.

BE THE DIFFERENCE

