



# Financial Statements

2017–2018

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# Principal's introduction

**Stirling has maintained its strong position in UK and international rankings in the 2017-18 academic year, while enhancing our reputation as an institution of excellence.**

We graduated more than 3000 students – drawn from more than 80 countries – and our research income totalled more than £11.54 million.

The University's outstanding learning and teaching environment continued to be recognised. In May 2018, we learned Stirling had climbed 14 places to 40th in the UK, in The Guardian university league table. Our facilities were rated five-star in the prestigious QS World University Rankings 2018, along with our teaching, employability, inclusiveness and internationalisation.

As Scotland's University for Sporting Excellence, we were delighted to see our athletes enjoying incredible success at the 2018 Commonwealth Games in Australia, returning with an impressive total of 11 medals. The University was also pleased to play a key role in the successful bid to host the Tennis Scotland at Stirling National Academy, as part of the Lawn Tennis Association's 10-year Performance Strategy for British Tennis.

We are continuing to transform our groundbreaking research activity, focusing even more closely on tackling some of the biggest global challenges. Our academics are carrying out interdisciplinary research – in the thematic areas of: Living Well; Global Security and Resilience; and Cultures, Communities and Society – in order to improve the lives of people in communities around the world.

From discovering a species of plant and creating an app for people living with dementia, to showing how The Daily Mile walking initiative can improve the health and fitness of schoolchildren around the world, Stirling researchers are advancing knowledge and influencing thinking locally, nationally and internationally. Our academics' articles for news analysis website The Conversation have been viewed more than 7.3 million times by a global audience.

The University community was proud to welcome the Earl of Wessex to our campus in November 2017, to formally open the £6.5 million University of Stirling INTO Building, before marking the launch of the commemorative 50th anniversary publication, 'Fifty: The University of Stirling in 50 Objects'.

We are investing for the future in our beautiful campus. Our £41 million developments will create world-class fitness and high-performance sports facilities, as well as a new 'Campus Central' social and learning space.



The projects have been designed with input from our students, staff and local stakeholders, and will transform the student experience at Stirling. The investment is part of our ongoing commitment to provide our students with a world-class living and learning environment for their studies.

Looking forward, the major investment to transform our campus and the further development of our Research Excellence Framework preparations, are just some of the key projects on our agenda.

Our research and innovation is also set to be further transformed through £22 million of UK Government investment, as part of the Stirling and Clackmannanshire City Region Deal. The investment, which builds on our established strengths in aquaculture and environmental science, will support Stirling researchers in responding to some of the most profound challenges facing the planet, from tackling climate change, to ensuring that the world's population has a sustainable supply of food.

It has been a transformational year and I look forward to working alongside our community of students, staff and alumni, as we continue to make a positive difference in the world in 2018-19.

A handwritten signature in black ink, which appears to read 'Gerry McCormac'. The signature is fluid and cursive, with a large initial 'G'.

**Professor 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 high-quality teaching and research. We are an agent for change, connecting people, innovating and transforming the lives of our students, staff and the local, national and global communities we serve. Our aim is to unlock the full potential of the 14,000 students who study across a range of undergraduate and postgraduate programmes each year, allowing them to use their knowledge and skills to shape the world in a positive way.

Our vision is to be recognised across the world as a university that addresses the needs of society through innovative interdisciplinary research. We're proud that our work is already making a positive impact on people's health, education and well-being, and we're 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). The University is a public benefit entity and does not have any shareholders. 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, the 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 of the University's business.

Academic Council is the body responsible for the work of the University (teaching and research) and for the regulation and superintendence of the education, discipline and welfare of the students of the University. The University's corporate governance arrangements and a list of the members of the University Court and Committees during the year ended 31 July 2018 can be found on page 52.

### Our structure and students

The majority of operations are carried out at the University's main Stirling campus, renowned for its naturally beautiful setting. To support effective delivery of learning, teaching and research activities, the academic structure is organised into

five faculties comprised of multiple departments, institutes and centres. In addition, the Institute of Advanced Studies provides a virtual hub for Stirling's thriving postgraduate research community. 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 are offered through the INTO-University of Stirling joint venture, hosted at the purpose-built, on-campus INTO Centre. The University has also cultivated a number of overseas partnerships, facilitating delivery of University programmes at partner locations including Singapore (Singapore Institute of Management and Amity Global Education), China (Lingnan Institute of Further Education and Hebei Normal University), Oman (Muscat College), Vietnam (University of Social Sciences and Humanities) and the United Arab Emirates (Planet Core International Education FZE).

We have a dynamic community of staff and students from more than 120 countries. In line with previous years, in 2017/18 the majority of our students came from within the United Kingdom. An overview of the student population across all locations of study, and split by owning faculty, is presented in Table 1.

Faculty	Headcount 2017/18
Faculty of Arts and Humanities	3,753
Faculty of Health Sciences and Sport	2,959
Faculty of Natural Sciences	2,768
Faculty of Social Sciences	2,448
Stirling Management School	2,474
INTO Joint Venture	600
Professional practice and CPD	154
<b>Grand Total</b>	<b>15,156</b>

**Table 1** Student headcount by Faculty for academic year 2017-18.

The University is a place where everyone is treated with respect and where ability not background is valued. As such, recruiting students from a wide range of backgrounds is a priority. In 2017/18, 36.4% of Scottish-domiciled undergraduate entrants came from the most deprived (MD40) postcodes, and 15% of the same entrant group were from an MD20 region – exceeding the 2021 target set by the Commission on Widening Access. Throughout 2017/18, the University continued to develop the internal infrastructures that support broader widening access ambitions, including the expansion of the portfolio of college articulation routes.

The University's Strategic Plan sets out the ambition to increase unregulated student recruitment to support institutional aims to diversify income streams. This requires significant growth in undergraduates from the rest of the UK (RUK), overseas and postgraduate taught students. Reflecting this ambition of growth, the final 2017/18 unregulated student population shows a 33% increase against the Strategic Plan baseline position (2014/15). The priority overseas markets of China, India and the Middle East have been identified – to increase overseas unregulated recruitment from these regions we are working with agents from within these areas, establishing partnerships with local colleges and universities and creating country-specific marketing materials. Ongoing recruitment activities are supported by an integrated Communications, Marketing and Recruitment directorate and by a transformed university website which effectively guides potential students to key information and is more accessible across various platforms.

### Our strategic priorities

The University's current Strategic Plan 2016-2021 was approved by University Court in December 2015.

## The Strategic Plan can be accessed at [stir.ac.uk/about/our-vision/our-strategy](http://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. Ambitions have not changed and we move forward each year setting out new challenges, seeking out further opportunities and proactively responding to risks.

The key underlying message of the plan is, and remains, that we want 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.

We have a set of overarching institutional objectives that will help us focus on the steps needed to achieve our goals.

We want to:-

- Be one of the top 25 universities in the UK
- Increase our income by £50 million
- Enhance our research profile by 100%
- Ensure Internationalisation is at the heart of everything we do.



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

### Strategic Plan Key Performance Indicators (KPIs) and associated 2017/18 Performance

The University's Strategic Plan 2016-2021 set ambitious goals and "stretch targets" to drive institutional activity and progress. Underpinning 25-50-100/ 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 2017/18, based on the performance trajectory towards the 2020/21 target, 11 Strategic Plan indicators were assigned 'green' RAG status, 11 were assigned 'amber' RAG status and 6 were assigned a 'red' RAG status.

## Be one of the top 25 universities in the UK

### Ambition

The University measures the 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 by the end of the Strategic Planning cycle in 2021.

### Performance

The University monitors and benchmarks student satisfaction through participation in the annual National Student Survey (NSS) for undergraduates, the Postgraduate Taught Experience Survey (PTES) and the Postgraduate Research Experience Survey (PRES). The 2017/18 surveys, conducted during a period of industrial action, reported levels of student satisfaction above sector average.

The University maintained excellent student employability levels with 97.1% of graduates in a positive destination of ‘work or further study’, an increase of 0.7% and achieving the Strategic Plan target. The proportion of students entering a graduate-level job decreased marginally to 79.2% (from 79.8%).

UCAS introduced a ‘new’ tariff for the 2017 admissions cycle, re-profiled the number of tariff points associated with valid qualifications (A-Levels, Scottish Highers, etc.) and broadened this list to accommodate a wider variety of qualifications. The University of Stirling’s entry tariff was 158 in 2017/18, placing Stirling in the UK’s top quartile for this measure and positively impacting domestic league table positioning.

### Selected enabling activities

In seeking innovative ways to deliver teaching and improve satisfaction, the University introduced a new learning management system (Canvas) in 2017/18 to provide a more dynamic virtual learning environment that supports pedagogic development, enhanced delivery, assessment and feedback. Policies were also updated to ensure that all lectures are recorded where possible and made available on Canvas for the use of students.

A series of transformational capital projects were initiated in 2018. A £20 million redevelopment of the University’s sports facilities commenced in summer 2018, with scheduled completion by spring 2020. The new complex will house a single entrance to all of the University’s primary sports facilities, including co-located fitness, and strength and conditioning facilities as well as a flexible studio space – all set within a vibrant social area. These facilities will be world-class, befitting of Scotland’s University for Sporting Excellence, and will contribute to institutional values of health and wellbeing as well as continuing to support the University’s elite athletes.

The University has also initiated a programme of work to deliver a cohesive on-campus centre for our community, facilities and services. Campus Central will be the dynamic heart and the social core of the University, encouraging connections and engagement across our communities. The development will involve refurbishment of the existing Atrium and its connections, and a new linked, three-storey development that will support transformation of the student experience through integrated, welcoming and accessible services. Campus central will provide enhanced social learning spaces, establish a gateway to the Macrobert Arts Centre, and offer a variety of exciting retail and catering outlets.

## Increase our income by £50m

### 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

Institutional income increased for the third consecutive year within the Strategic Plan period. 2017/18 institutional income of £121.1 million represented a £3.8 million (3.2%) uplift year-on-year. Commercial income also increased for the third consecutive year to £19.6 million, representing a 3% uplift year-on-year.

In 2017/18, Stirling achieved its largest ever cohort of RUK students and exceeded the target for home and EU postgraduate taught students. International student recruitment targets are ambitious – in 2017/18, undergraduate and research student recruitment did not meet targets.



## **Selected Enabling Activities**

The University has undertaken a major programme of activity to transform its digital engagement with audiences across the world. The website is a key marketing tool for reaching and engaging with prospective students (driving lead generation, enquiries and applications) and enhancing Stirling's profile as a research-intensive university. The new web presence was launched in May 2018 with a much greater focus on usability, guiding potential students to key information, delivering key research messages, providing a much more welcoming introduction to the University, and implementing a clear and consistent content strategy and search engine optimisation. The new website has been launched in time to impact student recruitment from 2019-20 and to enhance institutional reputation and Research Excellence Framework (REF) preparation in advance of REF2021.

The Strategic Plan detailed ambition to forge five key multi-dimensional and long-term overseas partnerships with leading international institutions. This ambition was partially realised in 2017/18, with the University forming strategic partnerships with Amity Global Institute and Planet Core International Education FZE. Both Amity and Core represent partners of global scale and influence.

Amity Global Institute are a private education provider, based in Singapore, and part of the broader Amity Education Group which has eight HEI campuses in India and facilities in locations such as London, New York, Beijing and Nanjing. Core are based in Ras Al Khaimah – an Emirate to the north of Dubai, and represent an international partnership with substantial scalability.

The Amity and Core partnerships represent a strategic expansion of the University's approach to internationalisation, and a diversification of unregulated tuition fee income. The partnership initiatives are forecast to significantly grow the University's international presence and reputation, creating a platform for further internationalisation work and the embedding of international partnership activity across the University.

## **Enhance our research profile by 100%**

### **Ambition**

Stirling is one of the UK's smallest research-intensive universities, with ambitions to double our research profile by 2021. A suite of performance indicators underpin this ambition measuring growth in academic staffing, postgraduate research student recruitment, research income and international research reputation.

### **Performance**

Stirling is behind benchmark average, and divergent from target, in terms of research grant and contract income. However, a change in practice in terms of the value of research contracts pursued is evident – the value of new awards in 2017/18 was £1.3m higher than the previous year and the value of applications rose by 57%.

The total number of postgraduate research students (PGRs) increased in 2017/18, but remains behind target.

The University dropped in the QS World Ranking league tables for citations of academic research outputs from 184 to 229 (marginally behind the target of 200).

### **Selected Enabling Activities**

In 2017/18, the University was announced as a central partner of the UK City Region Deal for Stirling and Clackmannanshire, which will drive the development of two University of Stirling research centres. The University will receive £17 million for a new Institute of Aquaculture and Global Aquatic Food Security facility, as well as £5 million for an International Environment Centre. The City Deal, and associated research projects, will significantly enhance the University's research profile and build on our reputation for carrying out world-class research. Investment in world-class research through the City Deal will enable University of Stirling researchers to further tackle some of the world's most pressing problems. By working in partnership, we can unleash our economic potential, delivering a unique source of jobs, growth and skills development, both for Stirling and the wider Scottish and UK economies.

## Our priorities for the future

The Strategic Plan clearly articulates the University's aims. While good progress has been made in 2017/18, Strategic Planning targets remain ambitious and challenging. A series of transformational projects will seek to facilitate or deliver a step-change in institutional performance to support 25-50-100i ambitions.

Movement towards the institutional ambition to be **one of the top 25 universities in the UK** will be underpinned by a programme of activities in support of an enhanced student experience. Transformational capital projects, initiated during 2017/18, will be progressed throughout 2018/19 and completed in 2020. Two marquee projects, Campus Central and the sports facilities redevelopment, will deliver a dynamic University core that encourages engagement and institutional sports facilities befitting Scotland's University of Sporting Excellence respectively. Advancing digital learning capabilities, University learning spaces, the broader student experience and student retention are also priorities.

Increasing our **income by £50 million** will rely on diversification and enhancement of income streams and efficient use of university resources. Central to diversified tuition fee income streams, and our ability to attract high calibre students, is an engaging and relevant postgraduate taught programme portfolio. Throughout 2018/19, a rigorous data and intelligence-led review of the PGT portfolio will be undertaken to ensure that existing programmes reflect cutting-edge content and that new, marketable, programmes are introduced. The opportunities for income growth associated with strategic international partnerships (akin to the partnerships with Core and Amity) and online learning developments will also be explored at pace throughout the forthcoming academic year.

The ambition to **enhance our research profile by 100%** will be heavily supported by the City Deal activities. The City Deal will drive the development of two new University of Stirling research centres – the Institute of Aquaculture and Global Aquatic Food Security facility and an International Environment Centre – supported by £22 million of external funding. The centres and their associated work will build on our reputation for carrying out world-class research and will support cultivation of broader partnerships. The newly-established Institute of Advanced Studies, based in Research and Innovation Services, will support development of a cohesive research community and the wider development of research programmes. Key to the achievement of research ambitions and a strong REF performance is the University's

academic population, which we will continue to invest in moving forward.

## Effectiveness and sustainability

Increasing constraints on resources requires the University to be more efficient and effective than ever before. To achieve this we are seeking to deliver operational best practice, ensuring that it supports innovative learning and teaching; generating new income streams to invest in institutional priorities to increase the University's self-reliance and being creative in how we manage our assets to maximise their use and income-raising potential.

The University is prioritising growing unregulated student income and has seen success with regard to increasing numbers and enhancing the student experience for postgraduate taught students (PGT). There has been more limited progress in relation to growing the postgraduate research student (PGR) cohort. From 2018, it was agreed that the Stirling Graduate School would focus exclusively on PGR matters, and should be aligned fully with the overall research strategy and agenda, under the leadership of the Deputy Principal (Research). The immediate priority is driving increased PGR recruitment; this will include revised funding for studentships and alternative models of supervision and completion of PhDs.

## 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 University 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.

In November 2017, the University launched its staff survey, to provide an opportunity for employees to reflect on their experiences of working at the University and provide feedback to inform change activities. The survey had a good response rate of 74%, and overall, 84% of staff agreed that the University is a good place to work, slightly fewer than the 87% in 2014.

The survey highlights that staff clearly understand their role (including goals and objectives) and the expectations of their respective job roles. Staff members feel that they are trusted and empowered to decide how to conduct their own work, drawing upon their initiative and abilities. Furthermore, the majority of staff are satisfied with the support they receive

from colleagues, and say that colleagues proactively provide support where required, even if it means doing things outside of their usual role. Line managers are also rated highly for many aspects of support they provide to their staff.

### 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 data in the following tables covers the period April 2016 to March 2017.

#### Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
7	7

**Table 2** Total number of employees who were relevant union officials during the relevant period.

#### Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1-50%	7
51-99%	-
100%	-

**Table 3** Percentage of working hours spent on facility time by relevant union officials during the relevant period.

#### Percentage of pay bill spent on facility time

Provide the total cost of facility time	£20,465
Provide the total pay bill	£71,533,996* *excludes USS deficit contribution
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time/total pay bill) x 100)	0.029%

**Table 4** Percentage of the total pay bill spent on facility time during the relevant period.

Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours, calculated as: ((total hours spent on trade union activities/total paid facility time hours)x100)	0%

**Table 5** Percentage of total paid facility time hours spent on paid trade union activities by relevant union officials.

### 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 reassignment, 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 2017-2021, our Gender Action Plan produced in line with guidance from the Scottish Funding Council and in our commitment to the Athena SWAN Charter. The University is the proud holder of an institutional Bronze Athena SWAN award, as well as two departmental awards, for our work to promote gender equality in science, technology, engineering, mathematics and medical disciplines.

From 2017, organisations with 250 or more employees must publish and support specific figures about their gender pay gap. The University's Gender Pay Gap report can be found online: [stir.ac.uk/about/faculties-and-services/human-resources-and-organisation-development/gender-pay-gap-reporting-regulations](http://stir.ac.uk/about/faculties-and-services/human-resources-and-organisation-development/gender-pay-gap-reporting-regulations)

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.

## 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 Court is of the view that there is an on-going 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 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. 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 in Table 6. It should be noted that risks are not presented in rank order.

Strategic objective	Risk	Risk mitigation
<b>Be one of the top 25 universities in the UK</b>	Further changes to the political landscape in Scotland, UK and EU impacting on the recruitment of RUK students – including change to Westminster Cabinet representation and suggested review of University fees.	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). Annual review of fees and scholarships led to revised fee structure implemented for 18/19 to maximise income flow and from 2018-19 scholarship offer enhanced and more targeted.
	Changes to applicant / institution behaviour may result in a significant reduction in tuition fee income from international students.	Diversification of international student population, including digital delivery. Enhanced recruitment and marketing activity in key markets and for priority programmes. Monitoring and improvement of application / offer / acceptance ratio. Implementation of new agent contracts, incentives and relationship management in 2017. Launch of strategic international partnerships.
	Impact of Brexit on recruitment and retention of EU and international students. Uncertainty around future rights to live/work in the UK for staff and students, the fee position beyond 2019 and the future of the UK economy could discourage EU and international students from applying to Stirling or staying to complete their degrees. Risk of reduced access / no access to cross-EU research funding streams.	Increase communications with current students and applicants. Review home student application numbers so there are sufficient numbers / quality to replace any potential losses from EU applicants. Work on increasing RUK application numbers. Scottish Government announced maintenance of 2019 fee levels for EU students (akin to Scottish students), providing stability. Continuation of EU students does, however, limit opportunity for increased fee income.
	Significant improvements to campus infrastructure through ambitious capital investment plan (especially Sports facilities and Campus Central) lead to disruption to staff / student experience on campus for prolonged period.	Focus on communication of activity and action, informed by engagement with staff / student body including Students' Union. Develop clear, effective alternative provision (e.g. relocation of sports facilities for duration of refurbishment.) Manage schedule of work to have minimal impact on peak times (e.g. minimise disruptive activity during exam times).



<b>Increase our income by £50 million</b>	As a consequence of spending reviews, the Scottish Funding Council have reduced funding for teaching and the number of funded places, with limited expectation for growth.	University of Stirling secured increased SFC funding while overall sector decreased due to good performance on key government priorities (particularly widening access and integrated degree programmes). Continued working with SFC to deliver Outcome Agreement targets. Continued diversification of income streams to reduce reliance on SFC funding.
	Reduction in student fee income as a result of failure to recruit sufficient numbers of non-regulated undergraduate and postgraduate students.	Proactive approach to attract high-calibre applicants and improve the conversion rate. Student enquiry management and conversion service with QS Solutions (formerly Hobsons). Regular monitoring, use of incentives and ensure that current processes are applicant-focussed and comply with legislation.
	Increased pension liabilities through USS increase the deficit to unsustainable levels and require increased contributions from employers and employees beyond affordable levels, particularly in-light of UCU strike action and pension dispute March 2018.	Monthly monitoring of expenditure and performance levels. Institutional position is made to University Council for Educational Administration (UCEA) and local unions. Business continuity planning in event of industrial action. Joint Expert Panel to engage in transparent review. Financial management and control of staff costs.
	Impact of Brexit on procurement activities including contracts being procured through EU procurement regulations. Costs for contracts could be subject to higher costs due to devaluation of sterling. Suppliers may be subject to increased costs and are unable to deliver on agreed contracts.	Calculated increased burden and potential impact of more restrictive procurement regulation, to inform future representation. Secure fixed-price contracts where possible to transfer risk to third party.
<b>Enhance our research profile by 100 percent</b>	City Deal requirements are not met to receive committed funding from the Government / Stirling Council, or, the additional funding required is not secured. The complex political relationships and partnerships break down.	Appropriate governance structures have been put in place both externally and internally to manage the different strands of the process. Resource within RIS established to provide effective project management and ensure delivery against stated outcomes.
	Impact of Brexit on recruitment and retention of high quality staff from the EU impacting on core teaching and research activities, following net migration figures showing 28% reduction of EU migrants to UK on 2015.	Representation through representative bodies to the UK Govt. on maintaining free movement of people / right to remain for staff. Developing further international (beyond EU) staff recruitment activities.
	Cut or change in methodology of allocating research funding, particularly the research and knowledge exchange funding, leading to an overall cut in funding.	Continue to lobby for investment in research and innovation as a key driver of economic growth and societal benefit. Successfully implement the Research Strategy. Developing thematic plans for key areas – e.g. ageing and dementia – to enhance knowledge exchange activity. Successful research week to promote research strengths and interdisciplinary approaches.

**Table 6** Risk Register Extract

## Financial performance

### Financial Statements

The financial statements comprise the consolidated results of the University and its subsidiary undertakings. The subsidiaries are: Stirling University Residential Accommodation Limited (SURA); Machrihanish Marine Farm Limited (dormant); University of Stirling Education Limited (UoS) and Stirling Hotel Services Limited (SHS). For commercial reasons these activities are channelled through limited companies. The University has also entered into two Joint Venture operations namely Stirling University Innovation Park Limited and INTO Stirling LLP. More information on these entities can be found at note 13 of the Accounts.

The deficit after taxation for the year 2017/18 is £1.7 million which compares to £0.4 million in 2016/17. The University uses net cash inflow from operating activities as a measure

of financial performance. This improved from £7.9 million in 2016/17 to £9.9 million in 2017/18 primarily due to the growth in tuition fee income. The University forecasts that a strong cash generation performance will be maintained in the following two years of the current Strategic Plan.

### Financial health

The key financial ratios of the University are set out at Table 7, and taken together demonstrate the financial health of the University. Income generation is a key strategic priority and we have continued to expand our student numbers by pursuing our international partnerships and international marketing strategies while seeing growth from within our home market. In 2017/18, the University's income generation improved further with a positive movement of £3.8 million to £121.1 million from 2016/17.

	2016/17 £000	2017/18 £000
<b>Income ratios</b>		
Total Income	117,337	121,090
Total Funding Council Grant as % of Total Income	38%	37%
Total non-Funding Council Grant as % of Total Income	62%	63%
Total Education Contracts and Tuition Fees as % of Total Income	28%	30%
Total Research Grants and Contracts as % of Total Income	9%	9%
Total Other Income as % of Total Income	24%	23%
Total Endowment and Investment Income as % of Total Income	1%	1%
<b>Expenditure ratios</b>		
Total Expenditure	117,355	122,094
Staff Costs as % of Total Expenditure	60%	58%
<b>Operating position</b>		
Operating (Deficit / Surplus	(18)	(1,004)
Operating (Deficit) / Surplus as % of Total Income	(0%)	-1%
Earnings Before Interest Tax Depreciation and Amortisation [EBITDA]	11,179	8,817
<b>Balance Sheet strength</b>		
Overdrafts, Loans, Finance Leases	69,425	80,335
External borrowing as % of Total Income	59%	66%
<b>Cash position</b>		
Cash and Current Asset Investments	55,891	63,525
Days Ratio of Cash to Total Expenditure	189	205

**Table 7** Financial Ratios

The University strategy of increasing income over the Strategic Plan is clearly having some success, and it is anticipated that there will be an upturn in our income growth as the end of the planning period approaches when it is expected that the University's marketing and recruitment strategies will reach their full impact. The University entered into two new International partnerships and relaunched its website towards the end of the 2017/18 financial year. These are key strands in the University's drive to increase unregulated student growth, the impact of which should be seen later in the planning period.

The University has taken advantage of historically low interest rates to secure funding and invest in schemes which enhance the student experience through a reimagining and reinvigoration of the University's core infrastructure. This borrowing has already funded the development of the INTO building and the residences at Juniper, Beech and Willow Courts. Currently two larger schemes namely Campus Central and the Sports building refurbishment are underway at a combined cost of £41 million and will be funded using a combination of £10 million of cash balances and funds already secured from a second successful private placement.

The University now has borrowings of £80.335 million which equates to 48.9% of total reserves which will be fully repaid by 2048. Against that level of gearing, the University has assets of £205.3 million, net current assets of £50.7 million and strong cash balances. It is anticipated that strong income generation towards the end of the planning period will maintain liquidity and support a strong balance sheet.

## Income

The University's ambition, as set out in its Strategic Plan, is to increase income to more than £165 million by 2020-21. While good progress has been made in challenging circumstances, the University has fallen short of the Strategic Plan target for income growth by £13.4 million in 2017/18. In the current environment characterised by the more market-driven behaviour of applicants, combined with the looming impact of Brexit, the University welcomes that it is experiencing sustained growth. The Strategic Plan is ambitious and many of the developments put in place to grow income are expected to begin to have an impact later in the five-year timescale.

### Scottish Funding Council (SFC) grants

The University's main grant allocation was announced in May 2017. The University received £44.5 million in funding from the SFC, including a capital grant of £1.0 million. The funding received is £0.2 million lower than in 2016/17.

### Tuition fees and education contracts

Tuition fee income increased by £3.9 million (11.7%) due to a substantial increase in taught postgraduate recruitment and students progressing from INTO pathway courses. There were also price increases associated with non-EU students. While there was some under-recruitment against overseas taught postgraduate students and recruitment to an international partnership in Singapore this was more than offset by strong growth in Home and EU taught postgraduate fees.

## Research grants and contracts



Stirling is currently one of the smallest 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 2020/21.

In 2017/18, the decline in research grant and contract income was reversed with an increase of £1.2 million. Also, in 2017/18, the University had emphasised the requirement for academic staff to submit applications for research contracts with a higher value, reducing the number of applications for small funding pots. The increase in research grant income is clear evidence of positive progress in 2017/18. The value of applications submitted rose by 57%, while the number of applications was reduced. These are critical early indications that the changes introduced in 2017/18 to address underperformance in research funding are beginning to deliver the target change.

#### **Other income**

Nearly 23% of the University's income is derived from other sources. Other income reduced by £1.1 million this year as a result of the closure of the Aquaculture External Facilities at Milnholm and Howietoun and the University's gradual withdrawal from provision in Inverness and the Western Isles. The latter has been more than offset by the transfer of funded places to the University as part of that arrangement. The overall reduction was further offset by income from University accommodation which operated at near to full capacity. In addition, in 2017/18, the University also received rentals for the newly acquired Scion House and billed the INTO Joint Venture for its occupancy of the completed INTO building.

#### **Investment income**

Investment income is lower than 2016/17 by £0.1 million. The reason for the drop between years was due to the fact that our Bank of Scotland one-year fixed rate account, which had received 1.25% rate of interest, came to an end in July 2017. £20 million has since been invested in term deposits at lower rates (£10 million at 0.85% and £10 million 0.8%).

#### **Donations and endowments**

Donations and endowments have performed better when compared to the previous year (£0.1 million). In 2017/18, the University strengthened its fundraising capability by increasing staff resource within the Department for

Advancement. 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 increased by £0.2 million. Staff Costs reflect the impact of the 2017/18 pay settlement (an increase in costs of just over £1.0 million). Staff cost increases came from investments in posts and from filling vacant posts within our faculties and professional service areas (£1.5 million). There was also a £1.5 million reduction in staff costs within the Faculty of Health Sciences and Sport due to the transfer of staff at our Highland campuses to the University of the Highlands and Islands from 1 August 2018. The movement on the USS pension liability has also decreased by £0.991 million arising from an increase in the discounted rate of 0.31% to 2.16%, and an increase in the pensionable payroll growth assumption rate from 1.71% to 1.84%. It should be noted that this is prior to, and does not take any account of, the increased contributions and other action being considered to address the 2017 USS valuation.

##### **Depreciation**

Depreciation has reduced by £0.7 million. This was due to a number of fixed assets reaching the end of their useful economic life and having been fully depreciated.

##### **Interest and other finance costs**

Interest and other finance costs have increased by £0.4 million. This occurred because there was a higher loan interest charge of £0.5 million for 2017/18 and a reduction in the net charge on the USPS pension scheme of £0.1 million.

##### **Balance sheet and cash flow**

##### **Capital expenditure**

The University invested £9.7 million in capital additions which included the development of the Campus Central (£1.7 million) and Sports Redevelopment (£1.4 million) projects. Campus Central will create new and refurbished study and social spaces at the heart of the campus for the benefit of students, staff and the wider community. The new sports complex will include purpose-built studios, an innovative fitness suite, a three-court sports hall, an indoor cycling studio, a strength and conditioning area, as well as a new state-of-the-art high-performance suite. Users of the new building will also benefit from enhanced changing facilities and communal spaces.



The University also purchased Scion House at a cost of £2.2 million. This acquisition is critical to the development of greater business partnerships and innovation, and will be a significant contributor to institutional economic development targets which will be set out in the Stirling City Deal.

Other Estates projects included the automatic fire detection system (£0.3 million), the water main replacement (£0.4 million) and some refurbishment of parts of the Pathfoot building (£1.0 million). Our furniture, fittings and equipment spend was £1.8 million in totality and included the upgrade of student IT facilities, the completion of the Learning Management System and spend on IT performance and storage.

#### **Current assets**

The net current asset position of the University increased by £5.9 million. This was caused by an increase of cash stemming from an extra £10 million of long-term borrowings offset by an increase in short-term creditors. The University has modelled that it will continue to generate strong operating cashflows, liquidity and current ratios, and forecast that this will continue over the Strategic Planning cycle.

#### **Long term borrowings**

Long term borrowing stands at £80.335 million which is a £10.6 million increase from last year. In February 2018, the University issued £30 million of Unsecured Senior Notes, the proceeds of which will be used to part-finance the redevelopment of the Sports Centre and Campus Central. The University also repaid in full all amounts outstanding on the £10 million loan facility with Barclays Bank plc. This facility is now terminated. The University also repaid in full all amounts outstanding on the £10 million loan facility with Lloyds plc. This facility remains available for drawdown to 2027. The University also received an interest-free loan from Salix Finance Ltd totalling £0.4 million which is repayable in February 2025 and will be used to fund the John Forty's Court and Cottrell LED lighting project.

#### **Provisions**

The balance sheet includes a USS pension provision of £13.4 million. This compares favourably against last year's provision of £14.4 million with the reduction being caused by an increase to the discount rate of 0.31% to 2.16% and also a reduction in the pensionable payroll growth assumption rate from 1.84% to 1.71%. In 2016/17, the University showed a USPS pension liability of £4.1 million. Following the actuarial valuation at the end of the 2017/18 financial year, it was recognised that the pension scheme had performed well with

a return on plan assets of £4.4 million and an actuarial gain of £3.8 million. The scheme has now been disclosed as a non-current asset with a balance of £4.7 million.

#### **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.

The University paid 71% of its invoices within 30 days of receipt of a valid invoice.

#### **Professional Advisors**

##### **External Auditor / 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**

##### **Barclays Bank PLC**

83 Argyle Street  
Glasgow  
G2 8BJ

##### **Solicitor**

##### **Thorntons Law LLP**

Whitehall House  
33 Yeaman Shore  
Dundee  
DD1 4BJ



**A. Sturgess**

Chair, Joint Policy Planning and Resources Committee  
10 December 2018

# 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 executive 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 2018 can be found on pages 51-52.

In accordance with the University's Charter, the Court has overall responsibility for the management of the University's resources, the on-going 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 meets formally four times per year.

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, including the Charter, Statutes and Ordinances: [stir.ac.uk/about/faculties-and-services/policy-and-planning/university-calendar](http://stir.ac.uk/about/faculties-and-services/policy-and-planning/university-calendar). 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 gender balance of all Court members as of 31 July 2018 was 52% men and 48% women and amongst the lay members the split was 50% men and 50% 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, social research, employment law, marketing, IT services, accountancy, internationalisation, creative industries, sports development, business development, social justice, consumer rights, healthcare, business and finance.

During 2017/18, changes have been implemented in order to comply with the Higher Education Governance (Scotland) Act 2016. A revised ordinance has been approved to bring Academic Council membership in line with the requirements. In addition, the title and remit of the Court Appointments Committee has been updated to create a Governance and Nominations Committee with responsibility for the University's framework for corporate governance and the recruitment, election and appointment of lay members including the Chair of Court. Work will continue during 2018/19 to ensure compliance, including Privy Council approval to amend the University's statutes.

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 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. During 2017/18 these pre-Court visits included the new INTO building, the Faculty of Natural Sciences, the Student Hub and Library. Training is supplemented by members attending programmes offered by the Leadership Foundation for Higher Education for governor development as and when required.

Court has a Statement of Primary Responsibilities which lays 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: [stir.ac.uk/media/stirling/services/policy-and-planning/documents/Statementofprimaryresponsibilities.pdf](http://stir.ac.uk/media/stirling/services/policy-and-planning/documents/Statementofprimaryresponsibilities.pdf)

## 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 committees 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 & 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 newly restructured **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. This 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 audits 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.

A revised Scottish Code of Good Higher Education Governance was published in 2017 which replaced the 2013 Scottish Code of Good Higher Education Governance. Academic year 2017/18 is considered a transitional year for compliance with the 2017 Code.

In the opinion of the Governing Body, the University complies with all the principles and provisions of the 2013 Scottish Code of Good Higher Education Governance through the year and complies with the principles and provisions of the 2017 Scottish Code of Good Higher Education Governance by the end of July 2018.

### **Going concern**

The University Group incurred a deficit in 2017-18 of £1.7 million following a deficit of £ 0.4 million in the previous financial year. However, profitability 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 maintain sufficient working capital balances. The University has a strong balance sheet with a non-current asset figure of £205.4 million, net current assets of £50.7 million including a cash balance of £25.8 million.

The University's forecasts and projections to 2019/20, taking account of future developments and reasonable sensitivities in relation to the key risks, suggest that the University should return to an accounting surplus in 2018/19. Notwithstanding, the forward projections using net cash flow from operating activities as the key measure of financial performance, show the University remains strongly compliant with lender covenants and has sufficient resources to maintain current operations while investing in new facilities as described elsewhere in this report. The balance sheet will also remain strong and, while the University plans continued strategic investment in its estate, it should maintain healthy cash balances over the planning period. The Court therefore considers that the University will continue to have adequate resources to enable it to continue in operational existence for the foreseeable future. Accordingly, the University of Stirling continues to adopt the going concern basis in preparing the Group's financial statements.

## Membership of Court and Committees 2017/18

	C=Court A=Audit J=JPPRC	Membership dates	Attendance 2017/18		
			Court 5 in year #	Audit 3 in year	JPPRC 3 in year
*Ms Fiona Sandford	C, J		5 chair		2
*Mr Harry Adam	C, J		5		2
*Mr Simon Anderson	C		3		
*Mr Kevin Condron	C	To 30/11/2017	1 (of 2)		
*Mr Hamish Grossart	C, J		4		2
*Mr Scott Haldane	C, A		3	3 chair	
*Mr Sean Lewis	C		1		
*Ms Lynne Marr	C		4		
*Ms Barbara McKissack	C, J		5		3
*Ms Catriona Morrison	C		5		
*Rev Maggie Roderick	C, A		4	3	
*Councillor Christine Simpson	C		3		
*Mr Andrew Sturgess	C, J		3		3 chair
*Mr Kenny Fraser	A			2	
*Ms Margaret Khnichich	A			3	
Ms Astrid Smallembroek	C, J		5		3
Mr Jamie Grant	C, J		4		3
Professor Alison Bowes	J				2
Professor George Burt	J				1
Mr James Dick	C		5		
Professor Jayne Donaldson	C		4		
Ms Alison Green	C		5		
Ms Kate Howie	C		5		
Professor Malcolm MacLeod	C, J		5		3
Professor Gerry McCormac	C, J		5		3
Mr Stephen Morrow	J				1
Professor Holger Nehring	C		4		
Dr Gabriela Ochoa	J				1
Professor Richard Oram	J				2
Professor Judith Phillips	J				1
Professor Leigh Robinson	C	To 30/09/2017	1 (of 1)		
Ms Eileen Schofield	J				3
Professor Leigh Sparks	J				2

\*Lay members

# including Court Strategy day

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 keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the University, and enable it to ensure that the financial statements are prepared in accordance with: the University's Charter & Statutes; the Statement of Recommended Practice (SORP); Accounting for Further and Higher Education; Accounts Directions from the Scottish Funding Council (SFC); and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the SFC and the Court of the University, the Court, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit of cash flows for that year.

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

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

The 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;
- 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 Auditor's Report to the University Court

## Report on the audit of the Financial Statements

### Opinion

We have audited the financial statements of the University of Stirling ("the University") for the year ended 31 July 2018 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Balance Sheet, the Consolidated and University Statement of Cash Flows and the related notes, including the Principal Accounting Policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2018 and of the Group's and the University's income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, and with the 2015 *Statement of Recommended Practice – Accounting for Further and Higher Education*; and
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### Basis for opinion

We have been appointed as auditor under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with the regulations made under that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for

a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### Other information

The University Court of the University of Stirling is responsible for the other information, which comprises Court Membership, the Principal's Foreword, Strategic Report, Corporate Governance Statement and Statement of Primary Responsibilities of the University Court. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Strategic Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

### Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

### University Court of the University of Stirling responsibilities

As explained more fully in their statement set out on page 19, the University Court of the University of Stirling is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent 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 it either intends to liquidate the group or the parent University or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [frc.org.uk/auditorsresponsibilities](http://frc.org.uk/auditorsresponsibilities).

### **Report on other legal and regulatory matters**

We are required under the terms of our engagement to report on the following matters.

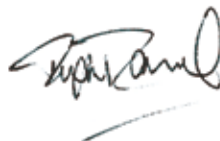
In our opinion, in all material respects:

- funds from whatever source administered by the Group or 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;
- funds provided by the Scottish Funding Council have been applied in accordance with the Financial Memorandum with Higher Education Institutions.

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the University Court of the University of Stirling in accordance with paragraph B of schedule 1 of the University of Stirling (Scotland) Order of Council 1993, and, in the University Court's role as charity trustees, in accordance with section 44(1)(c) of the Charity and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the University Court of the University of Stirling those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to

anyone other than the University and the University Court of the University of Stirling for our audit work, for this report, or for the opinions we have formed.



**Hugh Harvie**

for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
Saltire Court  
20 Castle Terrace Edinburgh  
EH1 2EG

Date *12 December 2018*

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# Statement of Accounting Policies

for the year ended 31 July 2018

## 1. Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standards FRS 102. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of fixed assets and derivative financial instruments.

The financial position of the University, including details of its long term borrowing facilities, is set out on page 30. The financial statements continue to be prepared on a going concern basis as Court considers that the University has adequate financial resources to continue in operational existence for the foreseeable future.

## 2. Basis of consolidation

The consolidated financial statements include the University, its subsidiaries and jointly controlled entities for the financial year to 31 July 2018. 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.

## 3. 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.

### Provisions

Provisions are made for certain liabilities where there is a degree of uncertainty as to the carrying amount and / or the timing of settlement. These provisions require

management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of cash flows and discount rates used to establish net present value of the obligations, if any, require management's judgement.

### 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 2014 actuarial valuation requires employers to contribute 2.1% of salaries towards repairing the deficit over a period of 17 years, of which 14 years remain. Details of this provision, which has been discounted at a rate of 2.16% as at 31 July 2018, are included in note 19 to the financial statements.

The 2017 actuarial valuation of USS has been undertaken but this has not yet been formally completed. The 2017 valuation has set out the challenges currently facing the scheme and the likelihood of significant increases in contributions being required to address these challenges.

In the judgement of the University, as the 2017 valuation has not formally completed, and there remains various stages of consultation around key factors specifically relating to the funding of the past deficit – including the level of contributions required, the period of the recovery plan and the level of asset performance over the period – it remains appropriate to continue to account for the past deficit obligation in accordance with the plan agreed after the 2014 actuarial valuation.



However, there is a significant risk that the year-end provision as calculated will not reflect the position following the final outcome of negotiations, potentially by a very significant amount depending upon what is finally agreed as regards future deficit contributions and their duration. The University expects to have greater clarity in this respect during the next financial year. Based on the inputs to the model, the following sensitivity analysis outlines the potential impact on the existing liability of £13.4 million.

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

	2018	2017
<b>Discount rate</b>	<b>2.16%</b>	1.85%
<b>Pensionable payroll growth</b>	<b>1.84%</b>	1.71%

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

<b>Assumption</b>	<b>Change in assumption</b>	<b>Impact on liability</b>
<b>Contribution</b>	Increase by 1%	Increase by £0.7m
<b>Contribution</b>	Increase by 6%	Increase by £4.5m
<b>Deficit repayment duration</b>	Increase to 17 years	Increase by £4.1m

#### **Debtors**

Debtor recoverability is considered throughout the year and appropriate provisions set aside in the financial statements when required.

#### **Investment property**

The University has reviewed all rental generating properties in line with the accounting policy for investment properties. As part of this process, management has evaluated whether an asset is held for the primary purpose of supporting education and research which constitute our core operations, or whether it is held primarily for the generation of rental income (and so represents an investment property).

#### **Market value of investment properties**

In determining the market value of the University's investment properties, University Court has considered the valuation assumptions which were determined using

market standard methodology. However should any of these assumptions be incorrect, this could have a significant impact on the valuation of these properties.

#### **4. 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 balance sheet and released to income as the conditions are met.

#### **Capital grants**

Capital grants are recognised in 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.

## 5. 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.

## 6. Employment benefits

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

## 7. Operating leases

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

## 8. 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 balance sheet 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.

## 9. 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:

	<b>Max Life</b>
<b>Structure</b>	<b>99</b>
<b>Roof</b>	<b>25</b>
<b>Windows / glazing</b>	<b>25</b>
<b>Services</b>	<b>30</b>
<b>Fit out (internal Fittings)</b>	<b>25</b>

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:

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

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

### 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. They are measured initially at cost and subsequently at fair value with movements recognised in the Consolidated Statement of Comprehensive Income

and Expenditure. Properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31 July each year.

#### **Heritage assets**

Works of art, artefacts and items held in the library collections are not recognised on the Balance Sheet, 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 Balance Sheet at cost when purchased or at the best estimate of market value where the object is donated.

#### **10. Investments**

Investments in jointly controlled entities and subsidiaries are carried at cost less impairment in the University's accounts.

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.

#### **11. 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. Fish farm stocks are computed on a going concern basis using values agreed for insurance purposes, suitably discounted to arrive at cost equivalent, and is measured using an average cost formula.

#### **12. 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.

#### **13. Provisions, contingent liabilities and contingent assets**

Provisions are recognised in the financial statements when:

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

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

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

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

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

#### **14. 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. The University also holds a 50% share in IRIDIS Limited which is a separate vehicle owned equally by the University and Space Group. As all of these companies are separate vehicles, they are considered joint ventures and the University accounts for its share in them using the equity method.

#### **15. 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. 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.

## **16. 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.

## **17. 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 Statement of Comprehensive Income and Expenditure

	Notes	2018		2017	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
<b>Income</b>					
Scottish Funding Council Grants	1	44,463	44,463	44,698	44,698
Tuition fees and education contracts	2	36,929	36,929	33,075	33,075
Research grants and contracts	3	11,466	11,466	10,227	10,227
Other income	4	27,562	27,562	28,684	28,684
Investment income	5	392	392	484	484
Donations and endowments	6	278	278	169	169
<b>Total income</b>		<b>121,090</b>	<b>121,090</b>	<b>117,337</b>	<b>117,337</b>

<b>Expenditure</b>					
Staff costs	7	70,281	70,281	70,114	70,114
Other operating expenses		40,192	40,195	35,300	35,318
Depreciation	11	8,781	8,781	9,466	9,466
Interest and other finance costs	8	2,840	2,840	2,475	2,475
<b>Total expenditure</b>	9	<b>122,094</b>	<b>122,097</b>	<b>117,355</b>	<b>117,373</b>
<b>Deficit before other gains losses and share of operating surplus/deficit of joint ventures</b>		<b>(1,004)</b>	<b>(1,007)</b>	(18)	(36)
Loss on disposal of fixed assets		(151)	(151)	-	-
Gain on investments	12	25	25		
Share of operating deficit in joint venture	13	(543)	-	(225)	-
<b>Deficit before tax</b>		<b>(1,673)</b>	<b>(1,133)</b>	(243)	(36)
Taxation	10	(1)	(1)	(185)	(185)
<b>Deficit for the year</b>		<b>(1,674)</b>	<b>(1,134)</b>	(428)	(221)
Actuarial gain in respect of pension schemes	30	8,282	8,282	5,418	5,418
<b>Total comprehensive income for the year</b>		<b>6,608</b>	<b>7,148</b>	<b>4,990</b>	<b>5,197</b>
<b>Represented by:</b>					
Endowment comprehensive income for the year	20	11	11	7	7
Restricted comprehensive income for the year	21	159	159	(1)	(1)
Unrestricted comprehensive income for the year		6,438	6,978	4,984	5,191
		<b>6,608</b>	<b>7,148</b>	<b>4,990</b>	<b>5,197</b>

The notes on pages 32 to 50 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	
<b>Balance at 1 August 2016</b>	<b>1,758</b>	<b>2,583</b>	<b>148,505</b>	<b>152,846</b>
Deficit from the income and expenditure statement	-	-	(428)	(428)
Other comprehensive income	-	-	5,418	5,418
Release of restricted funds spent in year	7	(1)	(6)	-
<b>Total comprehensive income and expenditure for the year</b>	<b>7</b>	<b>(1)</b>	<b>4,984</b>	<b>4,990</b>
<b>Balance at 1 August 2017</b>	<b>1,765</b>	<b>2,582</b>	<b>153,489</b>	<b>157,836</b>
Deficit from the income and expenditure statement	-	-	(1,674)	(1,674)
Other comprehensive income	-	-	8,282	8,282
Release of restricted funds spent in year	11	159	(170)	-
<b>Total comprehensive income and expenditure for the year</b>	<b>11</b>	<b>159</b>	<b>6,438</b>	<b>6,608</b>
<b>Balance at 31 July 2018</b>	<b>1,776</b>	<b>2,741</b>	<b>159,927</b>	<b>164,444</b>

University	Income and expenditure account			Total £'000
	Endowment £'000	Restricted £'000	Unrestricted £'000	
<b>Balance at 1 August 2016</b>	<b>1,758</b>	<b>2,583</b>	<b>150,123</b>	<b>154,464</b>
Deficit from the income and expenditure statement	-	-	(221)	(221)
Other comprehensive income	-	-	5,418	5,418
Release of restricted funds spent in year	7	(1)	(6)	-
<b>Total comprehensive income for the year</b>	<b>7</b>	<b>(1)</b>	<b>5,191</b>	<b>5,197</b>
<b>Balance at 1 August 2017</b>	<b>1,765</b>	<b>2,582</b>	<b>155,314</b>	<b>159,661</b>
Deficit from the income and expenditure statement	-	-	(1,134)	(1,134)
Other comprehensive income	-	-	8,282	8,282
Release of restricted funds spent in year	11	159	(170)	-
<b>Total comprehensive income for the year</b>	<b>11</b>	<b>159</b>	<b>6,987</b>	<b>7,148</b>
<b>Balance at 31 July 2018</b>	<b>1,776</b>	<b>2,741</b>	<b>162,292</b>	<b>166,809</b>

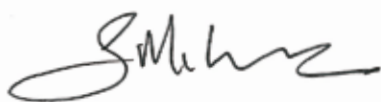
The notes on pages 32 to 50 form part of the financial statements.

# Consolidated and University Balance Sheet

	Notes	2018		2017	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Non-current assets</b>					
Fixed assets	11	202,908	202,908	202,270	202,270
Trade and other receivables		120	120	135	135
Investment property	12	2,225	2,225	-	-
Investment in joint venture	13	96	-	113	-
		<b>205,349</b>	<b>205,253</b>	202,518	202,405
<b>Current assets</b>					
Stock	14	318	318	340	340
Trade and other receivables	15	13,901	14,093	12,221	12,436
Investments	16	37,764	37,764	25,715	25,715
Cash and cash equivalents	22	25,760	25,444	30,176	29,871
		<b>77,743</b>	<b>77,619</b>	68,452	68,362
Less: Creditors: amounts falling due within one year	17	(27,036)	(26,927)	(23,606)	(23,528)
Net current assets		<b>50,707</b>	<b>50,692</b>	44,846	44,834
<b>Total assets less current liabilities</b>					
		<b>256,056</b>	<b>255,945</b>	247,364	247,239
Creditors: amounts falling due after more than one year	18	(79,879)	(79,879)	(68,425)	(68,425)
<b>Provisions</b>					
USS Pension Provision	19	(13,413)	(13,413)	(14,404)	(14,404)
Other provisions	19	(518)	(518)	(675)	(675)
Joint Venture Loss Provision	13	(2,476)	-	(1,950)	-
Pension Asset	30	4,674	4,674	(4,074)	(4,074)
<b>Total net assets</b>					
		<b>164,444</b>	<b>166,809</b>	157,836	159,661
<b>Restricted Reserves</b>					
Income and expenditure reserve - endowment reserve	20	1,776	1,776	1,765	1,765
Income and expenditure reserve - restricted reserve	21	2,741	2,741	2,582	2,582
<b>Unrestricted Reserves</b>					
Income and expenditure reserve - unrestricted		159,927	162,292	153,489	155,314
<b>Total Reserves</b>		<b>164,444</b>	<b>166,809</b>	157,836	159,661

The notes on pages 32 to 50 form part of the financial statements.

The Financial Statements were approved by the University Court on the 10 December 2018 and signed on its behalf by:



**G. McCormac**  
Principal and Vice-Chancellor



**A. Sturges**  
Chair, Joint Policy Planning  
and Resources Committee



**L.F. McCabe**  
Director of Finance

# Consolidated and University Cash Flow

	Notes	2018 £'000	2017 £'000
<b>Cashflow from operating activities</b>			
Deficit for the year		(1,674)	(428)
<b>Adjustment for non-cash items</b>			
Depreciation	11	8,781	9,466
Net change on pension scheme less contribution		(466)	(344)
Decrease in stocks	14	22	339
(Increase)/Decrease in debtors	15	(1,665)	1,107
Increase/(Decrease) in creditors	17-18	4,370	(1,173)
Decrease in pension provision	19	(991)	(269)
Decrease in other provisions	19	(157)	(1,047)
Share of operating (surplus)/deficit in joint venture	13	543	225

<b>Adjustment for investing or financing activities</b>			
Investment Income	5	(392)	(484)
Interest Payable	8	2,574	2,225
Capital Income Grant	1	(1,028)	(1,745)
<b>Net cash flows from operating activity</b>		<b>9,917</b>	<b>7,872</b>

<b>Cash flows from investing activities</b>			
Proceeds from sale of fixed assets	11	231	29
Capital Grants receipts	1	1,028	1,745
Investment Income	5	392	484
Payments made to acquire fixed assets	11	(9,650)	(10,560)
Increase in non-current asset investments	16	(12,049)	(5,052)
Payments made to acquire investment property		(2,200)	0
		<b>(22,248)</b>	<b>(13,354)</b>

<b>Cash flows from financing activities</b>			
Interest Paid	8	(2,574)	(2,225)
Receipt of unsecured loans	18	30,335	0
Repayment of loans	18	(19,846)	(283)
<b>Net cash inflow from financing activities</b>		<b>7,915</b>	<b>(2,508)</b>

<b>Decrease in cash and cash equivalents in the year</b>		<b>(4,416)</b>	<b>(7,990)</b>
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Cash and cash equivalents at beginning of the year	22	30,176	38,166
Cash and cash equivalents at end of the year	22	25,760	30,176

The notes on pages 32 to 50 form part of the financial statements.

# Notes to the Accounts

		2018		2017	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>1</b>	<b>Scottish Funding Council Grants</b>				
	General Fund - Teaching	31,812	31,812	31,656	31,656
	General Fund - Research and Knowledge Exchange	9,045	9,045	8,301	8,301
	Strategic Funding	2,578	2,578	2,996	2,996
	Capital Maintenance Grant	1,028	1,028	1,745	1,745
		<b>44,463</b>	<b>44,463</b>	44,698	44,698
<b>2</b>	<b>Tuition Fees and Education Contracts</b>				
	Scotland and EU Fees	15,718	15,718	14,195	14,195
	Rest of UK	6,393	6,393	6,110	6,110
	Non EU Fees	13,430	13,430	11,804	11,804
	Non Credit Bearing Course Fees	689	689	313	313
	Other Contracts	699	699	653	653
		<b>36,929</b>	<b>36,929</b>	33,075	33,075
<b>3</b>	<b>Research grants and contracts</b>				
	Research councils	3,907	3,907	3,570	3,570
	Research charities	1,476	1,476	1,324	1,324
	Government (UK and overseas)	2,667	2,667	2,624	2,624
	Industry and commerce	235	235	270	270
	European Commission	2,047	2,047	1,383	1,383
	Other Overseas	732	732	803	803
	Other	402	402	253	253
		<b>11,466</b>	<b>11,466</b>	10,227	10,227
<b>4</b>	<b>Other income</b>				
	Consultancy and other services rendered	2,094	2,094	2,081	2,081
	Commercial Services	6,617	6,617	6,802	6,802
	Accommodation Services	12,948	12,948	12,277	12,277
	Aquaculture External Facilities	-	-	866	866
	Sport Development Services	1,907	1,907	1,990	1,990
	Other income	3,996	3,996	4,668	4,668
		<b>27,562</b>	<b>27,562</b>	28,684	28,684
<b>5</b>	<b>Investment income</b>				
	Investment income on endowments	20	15	24	24
	Other investment income		377	460	460
			<b>392</b>	484	484
<b>6</b>	<b>Donations and endowments</b>				
	New endowments	20	24	-	-
	Donations with restrictions	21	195	75	75
	Donationd with restrictions PRC		11	-	-
	Unrestricted donations		48	94	94
			<b>278</b>	169	169



# Notes to the Accounts (continued)

	Notes	2018		2017	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>7 Staff costs</b>					
Salaries		56,666	56,666	556,112	56,112
Social security costs		5,336	5,336	5,273	5,273
Apprenticeship Levy		263	263	86	86
Movement on USS provision		(1,257)	(1,257)	(520)	(520)
Other pension costs		9,273	9,273	9,163	9,163
<b>Total</b>		<b>70,281</b>	<b>70,281</b>	70,114	70,114

	2018	2017
<b>Staff numbers by major category:</b>	<b>Number</b>	Number
Academic Schools	629	638
Academic Services	82	88
Administration and Central Services	264	248
Premises	139	142
Research Grants and Contracts	123	124
Catering and residence	108	104
Other	96	86
<b>Total</b>	<b>1,441</b>	1,430

	2018	2017
<b>Emoluments of the Vice-Chancellor:</b>	<b>£'000</b>	£'000
Salary	274	269
Benefits	1	1
Pension contributions to USS	6	6
<b>Total</b>	<b>281</b>	276

## Pay Multiples

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.

	2018	2017
Median total remuneration of all staff	£37,293	£36,669
Remuneration Ratio	7.5	7.5

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

	2018	2017
	<b>Number</b>	Number
£100,000 to £109,999	10	6
£110,000 to £119,999	2	1
£120,000 to £129,999	2	4
£130,000 to £139,999	1	1
£140,000 to £149,999	0	1
£150,000 to £199,999	3	2
£200,000 to £269,999	1	1
<b>Total</b>	<b>19</b>	16

# Notes to the Accounts (continued)

## 7 Staff costs (continued)

### Compensation for loss of office payable to a higher paid member of staff

Compensation for loss of office payable to senior post-holders:

	2018 £'000	2017 £'000
Compensation payable recorded within staff costs:	-	-

### 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 and Graduate Studies);
7. Deputy Secretary and Director of SACS;
8. Director of Finance;
9. Director of HR & Organisational Development;
10. Director of Communications, Marketing and Public Engagement

	2018 £'000	2017 £'000
Salary, pensions and other emoluments	1,402	1,495

### 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	2018				2017			
		Income	Expenditure	Debtor	Creditor	Income	Expenditure	Debtor	Creditor
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carnegie Trust	Francis Gerard McCormac	-	11	3	-	78	-	-	-
Commonwealth Games Scotland	Leigh Robinson	17	7	-	-	18	5	8	-
Sports Scotland	Leigh Robinson	153	1	-	-	202	17	4	-
University of Stirling Students' Union	Barbara McKissack; Astrid Smullenbroek; Jamie Grant	42	325	14	-	38	223	8	-
<b>Total</b>		<b>212</b>	<b>344</b>	<b>17</b>	<b>-</b>	<b>336</b>	<b>245</b>	<b>20</b>	<b>-</b>

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 Accounts (continued)

	Notes	2018		2017	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>8 Interest and other finance costs</b>					
Loan interest		<b>2,471</b>	<b>2,471</b>	1,982	1,982
Unwinding of USS pension provision	19	<b>266</b>	<b>266</b>	251	251
Net charge on pension scheme		<b>103</b>	<b>103</b>	243	243
Realised loss on settlement of derivative		-	-	-	-
<b>Total</b>		<b>2,840</b>	<b>2,840</b>	2,476	2,476
<b>9 Analysis of total expenditure by activity</b>					
Academic Departments		<b>47,418</b>	<b>47,418</b>	44,983	44,983
Academic Services		<b>9,165</b>	<b>9,165</b>	8,685	8,685
Administration and Central Services		<b>20,181</b>	<b>20,181</b>	17,983	17,983
Premises (including service concessions cost)		<b>12,364</b>	<b>12,364</b>	12,789	12,789
Research Grants and Contracts		<b>9,689</b>	<b>9,689</b>	8,609	8,609
Consultancy and other services rendered		<b>1,539</b>	<b>1,539</b>	1,417	1,417
Commercial Services		<b>5,731</b>	<b>5,734</b>	5,741	5,741
Accommodation Services		<b>10,563</b>	<b>10,563</b>	10,315	10,315
Aquaculture External Facilities		-	-	1,504	1,504
Sports Development Services		<b>3,018</b>	<b>3,018</b>	2,923	2,923
Early Retirement and Severance		<b>618</b>	<b>618</b>	675	675
Other expenses		<b>1,808</b>	<b>1,808</b>	1,731	1,749
<b>Total</b>		<b>122,094</b>	<b>122,097</b>	<b>117,355</b>	<b>117,373</b>
Other operating expenses include:					
External auditors remuneration in respect of audit services*		<b>71</b>	<b>71</b>	55	46
External auditors remuneration in respect of non-audit services		<b>130</b>	<b>130</b>	32	32
Internal auditors remuneration		<b>75</b>	<b>75</b>	74	74
Operating lease rentals :-					
Land and buildings		<b>950</b>	<b>950</b>	1,447	1,447
* 2017-18 external audit fee includes fee for Stirling Hotel Services Ltd audit					
<b>10 Taxation</b>					
<b>Recognised in the statement of comprehensive income and expenditure</b>					
Current tax expense		<b>1</b>	<b>1</b>	185	185

The tax expense incurred in 2017-18 relates to withholding tax due to the Saudi Arabian tax authorities. The tax expense incurred in 2016-17 related to the tax due to the Singapore Tax Authorities on behalf of the Singapore Institute of Management under the Singapore Income Tax Act.

# Notes to the Accounts (continued)

## 11 Fixed Assets Consolidated and University

	Freehold Land and Buildings	Leasehold Land and Buildings	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>					
At 1 August 2017	215,737	445	25,397	2,432	244,011
Additions	1,026	-	1,796	6,828	9,650
Transfers	180	-	149	(329)	-
Disposals	(289)	-	(2,345)	-	(2,634)
<b>At 31 July 2018</b>	<b>216,654</b>	<b>445</b>	<b>24,997</b>	<b>8,931</b>	<b>251,057</b>
<b>Depreciation</b>					
At 1 August 2017	21,366	50	20,325	-	41,741
Charge for the year	6,951	17	1,813	-	8,781
Disposals	(48)	-	(2,355)	-	(2,403)
<b>At 31 July 2018</b>	<b>28,269</b>	<b>67</b>	<b>19,783</b>	<b>-</b>	<b>48,119</b>
<b>Net book value</b>					
<b>At 31 July 2018</b>	<b>188,385</b>	<b>378</b>	<b>5,214</b>	<b>8,931</b>	<b>202,908</b>
At 31 July 2017	194,371	395	5,072	2,432	202,270

A revaluation of the University's land and buildings was undertaken at the balance sheet 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, the fixed assets of the University will be held at this value under the historic cost model as allowed under the Statement of Recommended Practice (SORP). 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 £9.65 million of freehold land (2016-17: £9.265 million) which is not depreciated.

### Assets under construction

Assets under construction as at the 31 July 2018 include the following building projects; the redevelopment of the sports facilities (£1.399 million), the development known as Campus Central (£1.667 million); the redevelopment of the Pathfoot building (£0.972 million); the upgrade to fire detection and alarm system in the Cottrell building (£0.326 million); Web transformation project (£0.406 million); Residences Refurbishments (£0.341 million); Wallace View (£0.3 million) and the campus water system upgrade (£0.448 million).

### Software

Software with a net book value of £0.234 million is included within equipment.

# Notes to the Accounts (continued)

## 11 Fixed Assets Consolidated and University (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 Balance Sheet, 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 Balance Sheet, 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 Balance Sheet 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 Balance Sheet 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](http://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

	2018		2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Balance at 1 August	-	-	-	-
Acquisition	2,200	2,200	-	-
Change in Fair Calue	25	25	-	-
<b>Total</b>	<b>2,225</b>	<b>2,225</b>	-	-

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 Balance Sheet date of 31 July 2018 by the external valuer, Gerald Eve 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 Venture

### 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 balance sheet of the University and 50% of its (deficit) / surplus is reported in the University's consolidated income and expenditure account.



# Notes to the Accounts (continued)

## 13 Investment in Joint Venture (continued)

	Year ended 31 July 2018		Year ended 31 July 2017	
	£'000	£'000	£'000	£'000
<b>Income and expenditure account</b>				
<b>Income</b>		<b>356</b>		385
(Deficit)/Surplus before tax		<b>(17)</b>		4
<b>Balance Sheet</b>				
Fixed assets	<b>287</b>		317	
Current assets	<b>125</b>		23	
		<b>412</b>		340
Creditors: amounts due within one year	<b>(241)</b>		(136)	
Creditors: amounts due after more than one year	<b>(75)</b>		(91)	
		<b>316</b>		(227)
<b>Share of net assets</b>	<b>122,094</b>	<b>122,097</b>	<b>117,355</b>	<b>117,373</b>

### INTO Stirling LLP

The University holds a 50% share in the jointly controlled entity INTO University of Stirling LLP between the University and INTO University Partnerships Limited which 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 course 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 balance sheet of the University and 50% of its deficit is reported in the University's consolidated income and expenditure account.

	Year ended 31 July 2018		Year ended 31 July 2017	
	£'000	£'000	£'000	£'000
<b>Income and expenditure account</b>				
Income		<b>2,363</b>		2,300
Deficit before tax		<b>(526)</b>		(229)
<b>Balance Sheet</b>				
Fixed assets	<b>390</b>		342	
Current assets	<b>956</b>		1,286	
		<b>1,346</b>		1,628
Creditors: amounts due within one year	<b>(3,072)</b>		(3,078)	
Creditors: amounts due after more than one year	<b>(750)</b>		(500)	
		<b>(3,822)</b>		(3,578)
<b>Share of net assets</b>		<b>(2,476)</b>		(1,950)

# Notes to the Accounts (continued)

## 14 Stock

	2018		2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
General consumables	318	318	340	340
<b>Total</b>	<b>318</b>	<b>318</b>	340	340

## 15 Trade and other receivables

	2018		2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts falling due within one year:				
Research grants receivables	43	43	200	200
Other trade receivables	5,813	6,005	6,144	6,359
Prepayments and accrued income	8,045	8,045	5,877	5,877
<b>Total</b>	<b>13,901</b>	<b>14,093</b>	12,221	12,436

	2018		2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts falling due after more than one year:				
Other receivables	120	120	135	135
<b>Total</b>	<b>120</b>	<b>120</b>	135	135

## 16 Current Investments

	2018		2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Short term investment in shares	482	482	432	432
Short term bonds	37,161	37,161	177	177
Short term deposits	121	121	25,106	25,106
<b>Total</b>	<b>37,764</b>	<b>37,764</b>	25,715	25,715

## 17 Creditors: amounts falling due within one year

	2018		2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Unsecure loans	35	35	1000	1000
Trade payables	7,127	7,065	6,017	5,961
Social security and other taxation payable	1,788	1,771	1,697	1,691
Accruals and deferred income	18,086	18,056	14,892	14,876
<b>Total</b>	<b>27,036</b>	<b>26,927</b>	23,606	23,528

# Notes to the Accounts (continued)

## 17 Creditors: amounts falling due within one year (continued)

### 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.

	2018		2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Research grant received on account	3,722	3,722	4,029	4,029
Grant income	-	-	190	190
Other income	3,419	3,419	2,458	2,458
<b>Total</b>	<b>7,141</b>	<b>7,141</b>	<b>6,677</b>	<b>6,677</b>

## 18 Creditors: amounts falling due within one year

	2018		2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Unsecure loans	79,879	79,879	68,425	68,425
<b>Total</b>	<b>79,879</b>	<b>79,879</b>	<b>68,425</b>	<b>68,425</b>
Analysis of secured and unsecured loans:				
Due within one year	35	35	1,000	1,000
Due between one and two years	54	54	1,000	1,000
Due between two and three years	107	107	3,000	3,000
Due in five years or more	79,718	79,718	68,425	64,425
<b>Total secured and unsecured loans</b>	<b>79,914</b>	<b>79,914</b>	<b>69,425</b>	<b>69,425</b>

Lender	Amount £'000	Term	Interest rate %	Borrower
Lloyds TSB	0	2027	0.19% above base rate	University
Private Placement	9,942	2033	3.65	University
Private Placement	19,881	2036	3.77	University
Private Placement	19,876	2048	3.96	University
Private Placement	19,920	2043	3.28	University
Private Placement	9,960	2048	3.32	University
Salix Loan	335	2025	interest free	University
<b>Total</b>	<b>79,914</b>			

### During the year the University:

Issued £30 million of Unsecured Senior Notes, the proceeds of which will be used to part finance the redevelopment of the Sports Centre and Campus Central.

Repaid in whole all amounts outstanding on the £10,000,000 loan facility with Barclays Bank plc. The facility is now terminated.

Repaid in whole all amounts outstanding on the £10,000,000 loan facility with Lloyds TSB. The facility remains available for drawdown to 2027.

The University also has an interest-free loan totalling £335,212 from Salix Finance Ltd which is repayable in February 2025.

# Notes to the Accounts (continued)

## 19 Provisions for Liabilities

### Consolidated and University

	Obligation to fund deficit on USS Pension Scheme £'000	Other Provisions £'000	Total £'000
At 1 August 2017	14,404	675	15,079
Utilised in year	(1,257)	(39)	(1,296)
Additions in 2017/18	266	36	302
Unused amounts reversed in 2017/18		(154)	(154)
<b>At 31 July 2018</b>	<b>13,413</b>	<b>518</b>	<b>13,931</b>

#### 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.

The recovery plan to fund the deficit was established in 2014 and will run for 17 years until March 2031. The University annual employer's contribution has an element which contributes to the recovery plan.

#### Pension liability University of Stirling Pension Scheme (USPS)

The obligation to fund the past deficit on the University of Stirling's Pension Scheme (USPS) 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 USPS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision. The value of the provision decreased substantially in 2017/18 resulting from large actuarial gains and return on investment.

The University is contracted to pay £800k annually until 31 March 2031 under the terms of the deficit recovery scheme in place.

#### Other Provisions

This includes various individual provisions but because of their commercially sensitive nature we cannot disclose the nature or timing of these.

# Notes to the Accounts (continued)

## 20 Endowment Reserves

### Consolidated and University

Restricted net assets relating to endowments are as follows:-

	Restricted permanent endowments	Expendable endowments	2018 Total	2017 Total
	£'000	£'000	£'000	£'000
<b>Balances at 1 August 2017</b>				
Capital	203	1,285	<b>1,488</b>	1,488
Accumulated income	59	218	<b>277</b>	270
	<b>262</b>	<b>1,503</b>	<b>1,765</b>	1,758
Investment income	15	-	<b>15</b>	24
Expenditure	(3)	(1)	<b>(4)</b>	(17)
<b>Total endowment comprehensive income for the year</b>	<b>12</b>	<b>(1)</b>	<b>11</b>	7
<b>At 31 July 2018</b>	<b>274</b>	<b>1,502</b>	<b>1,776</b>	<b>1,765</b>
<b>Represented by:</b>				
Capital	203	1,285	<b>1,488</b>	1,488
Accumulated income	71	217	<b>288</b>	277
	<b>274</b>	<b>1,502</b>	<b>1,776</b>	1,765
Analysis by asset				
Current and non-current asset investments	120	-	<b>120</b>	121
Cash and cash equivalents	154	1,502	<b>1,656</b>	1,644
	<b>274</b>	<b>1,502</b>	<b>1,776</b>	<b>1,765</b>

## 21 Restricted Reserve

### Consolidated and University

Reserves with restrictions are as follows:-

	Research Investments Funds	Departmental Discretionary Funds	Donations	2018 Total	2017 Total
	£'000	£'000	£'000	£'000	£'000
<b>Balances at 1 August 2017</b>	<b>90</b>	<b>325</b>	<b>2,167</b>	<b>2,582</b>	2,583
New donations/transfer in to fund	-	-	<b>195</b>	<b>195</b>	190
Investment income	-	-	<b>0</b>	<b>(0)</b>	-
Expenditure	-	<b>(1)</b>	<b>(35)</b>	<b>(36)</b>	(191)
Total restricted comprehensive income for the year	-	<b>(1)</b>	<b>160</b>	<b>159</b>	(1)
<b>At 31 July 2018</b>	<b>90</b>	<b>324</b>	<b>2,327</b>	<b>2,741</b>	2,582

All restricted donations are general in purpose.



# Notes to the Accounts (continued)

## 22 Cash and cash equivalents

	At 1 August	Cash	At 31 July
<b>Consolidated</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash and cash equivalents	30,176	(4,416)	25,760
	<b>30,176</b>	<b>(4,416)</b>	<b>25,760</b>

## 23 Financial Instruments

### Consolidated and University

#### Carrying amount of financial instruments

The carrying amount of the financial assets and liabilities include:

	2018		2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Financial Assets</b>				
Measured at fair value through Income and Expenditure	120	120	121	121
Assets measured at cost less impairment	77,306	77,181	67,992	67,901
	<b>77,426</b>	<b>77,301</b>	68,113	68,022
<b>Financial Assets</b>				
Liabilities measured at amortised cost	(27,001)	(26,892)	(22,606)	(22,528)
Loan commitments measured at cost less impairment	(79,914)	(79,914)	(69,425)	(69,425)
	<b>(106,915)</b>	<b>(106,806)</b>	(92,031)	(91,953)

### 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.

# Notes to the Accounts (continued)

## 23 Financial Instruments (continued)

### 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 2018, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet.

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 counter party 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

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities.

The University will maintain cash facilities up to two months core operating and payroll costs, to allow for unforeseen liquidity requirements.

### 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's principal foreign currency exposure is to the Euro. On an annual basis after satisfying Euro denominated liabilities the University is left with a surplus of Euros. Surplus Euros are converted at spot rates or via forward contracts that are used to mitigate the risk of adverse exchange rate movements.

### Interest Rate Risk

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

The University has loans totalling £80.335 million. The interest rate attached to the private placements are fixed over the term of each loan. Due to the low interest environment such loans have limited risk.

## 24 Capital Commitments

Provision has not been made for the following capital commitments at 31 July 2018:

	31 July 2018		31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Commitments contracted for	8,121	8,121	2,774	2,774
<b>Total</b>	<b>8,121</b>	<b>8,121</b>	<b>2,774</b>	<b>2,774</b>

The University has entered into contractual commitments for various projects including the Campus Central Development (£1.482 million); the Water Main Replacement (£1.352 million); Airthrey Castle essential repairs (£0.709 million); Automatic Fire Protection (£0.626 million) and Pathfoot repairs (£1.231 million); Cross Campus Printing (£0.377 million); Buckieburn Experimental Hatchery Development (£0.261 million); Faculty of Natural Sciences Critical Equipment (0.295 million).

# Notes to the Accounts (continued)

## 25 Contingent Liabilities

The University is a member of UMA (SR) Limited, a company formed to provide mutual association for terrorism risks. Under the terms of its membership, each member acts as insurer and insured. If the association as a whole suffers a shortfall in any underwriting year, the members are liable for their pro rata share (University of Stirling 0.2%); spread using a member's loan facility over seven years. No liability has yet risen under this guarantee.

The University through a shareholding agreement with Stirling Council has, in effect, guaranteed 50% of a loan with RBS plc to Stirling University Innovation park Limited (SUIP Ltd). The purpose of the loan was to purchase two properties. The outstanding balance of the loan at the 31 July 2018 is £0.198 million.

## 26 Lease obligations

Total rentals receivable under operating leases as lessor:

	<b>2018</b>	2017
	<b>Land and Buildings £'000</b>	Land and Buildings £'000
<b>Receivable during the year</b>	<b>522</b>	359
<b>Future minimum lease payments due:</b>		
Not later than 1 year	<b>353</b>	267
Later than 1 year and not later than 5 years	<b>1,253</b>	782
Later than 5 years	<b>4,617</b>	3,267
<b>Total lease payments due</b>	<b>6,223</b>	4,316
Total rentals payable under operating leases as lessee:		
<b>Payable during the year</b>	<b>950</b>	1,447
<b>Future minimum lease payments due:</b>		
Not later than 1 year	<b>904</b>	930
Later than 1 year and not later than 5 years	<b>2,183</b>	2,686
Later than 5 years	<b>3,456</b>	3,885
<b>Total lease payments due</b>	<b>6,543</b>	7,501

## 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.

A member of the senior management of the University holds an office of significant responsibility at the Association of Research Manager and Administrators. By virtue of this influence transactions between the University and the Association of Research Managers and Administrators are considered to be related party transactions.

# Notes to the Accounts (continued)

## 27 Related Party Transactions (continued)

	2018				2017			
	Income	Expenditure	Debtor	Creditor	Income	Expenditure	Debtor	Creditor
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Pension Providers</b> University of Stirling Pension Scheme (USPS)	-	800	-	-	-	800	-	-
<b>University Companies/ Collaborations</b> Stirling University Innovation Park	19	208	4	-	26	194	5	-
<b>Senior Management</b> Association of Research Manager and Administrators	-	6	-	-	-	4	-	-
	<b>19</b>	<b>1014</b>	<b>4</b>	<b>0</b>	<b>26</b>	<b>998</b>	<b>5</b>	<b>-</b>

## 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 Stirling University Residential Accommodation Limited (SURA). The principal activity of the company is to design and construct residential accommodation for the residences project. The company's results have been consolidated into the University's financial statements. The registered office of SURA is University Of Stirling, Stirling, Scotland FK9 4LA.

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 4AE.

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 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 of Machrihanish Marine Farm Limited. The principal activity of the company was the farming of cod. The company is currently not operating and had no significant transactions in year. As a subsidiary the company is still required to be consolidated within the group accounts. The registered office of Machrihanish Marine Farm Limited is Finance Office, University Of Stirling, Stirling, Scotland, FK9 4LA.

The University owns 100% of the issued share capital of ordinary shares in Stirling Salmon Limited. This company has filed dormant accounts for financial year 2017/18. As a dormant company the company is still required to be consolidated within the group accounts. The registered office of Stirling Salmon Limited is Finance Office, University Of Stirling, Stirling, Scotland, FK9 4LA.

The University owns 100% of the issued share capital of Stirling Aquaculture Ltd. This company has filed dormant accounts for financial year 2016/17. As a dormant company the company is still required to be consolidated within the group accounts. Finance Office, University Of Stirling, Stirling, Scotland FK9 4LA.

The University owns 100% of the issued share capital of SURE shelf. This company has filed dormant accounts for financial year 2016/17. As a dormant company the company is still required to be consolidated within the group accounts.

# Notes to the Accounts (continued)

## 29 HE Support Funds

	2018					2017
	Childcare	Undergraduate Discretionary	Postgraduate Discretionary	Nursing & Midwifery	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Allocation received in year	(269)	(437)	(74)	(38)	(818)	(788)
Expenditure	173	493	116	38	820	772
Bank Interest	(1)	(1)	-	-	(2)	(2)
Virements between funds	95	(53)	(42)	-	0	-
Previous Year loans repaid in academic year	-	(2)	-	-	(2)	(5)
<b>Funds to be returned to SAAS</b>	<b>(2)</b>	-	-	-	<b>(2)</b>	<b>(23)</b>

## 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.

	2018	2017
	£'000	£'000
USS: Contributions paid	9,273	9,163
USPS: Contributions paid	800	800
Total Pensions Costs Note 7 and 9	10,073	9,963

On 26 October, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. We are working with the trustees of our USPS to understand the extent to which the judgment crystallises additional liabilities for our pension scheme. The extent to which the judgment will increase the liabilities in the USPS is not possible to identify at this point. For the University's other defined benefit scheme, the USS, the provision included within the financial statements at note 19 will only be impacted to the extent the change in benefits increases cash financing.

### University Superannuation Scheme

The total cost charged to the profit and loss account is £8.282 million (2017: £8.856 million) as shown in notes 7, 8 and 30.

The latest available complete actuarial valuation of the Retirement Income Builder section of the scheme is at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method. The valuation as at 31 March 2017 is underway but not yet completed.

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 2014 valuation was the third 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 £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. These figures will be revised once the 2017 Scheme Valuation is complete.

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	2018	2017
Discount rate	2.64%	2.57%
Pensionable salary growth	n/a	n/a
Pension increase (CPI)	2.02%	2.41%

# Notes to the Accounts (continued)

## 30 Pension Schemes (continued)

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31 March 2018 accounting position, based on updated analysis of the Scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:-

	2018	2017
Mortality base rate	<b>Pre-retirement</b> 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females	98% of SAPS S1NA "light" YOB unadjusted for males
	<b>Post-retirement</b> 96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females	99% of SAPS S1NA "light" YOB with a 1-year adjustment for females
Future improvements to mortality	CMI_2016 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	CMI_2014 with a long term rate of 1.5% p.a.

The current life expectancies on retirement at age 65 are:

	<b>2018</b>	2017
Male currently aged 65 (years)	<b>24.5</b>	24.5
Females currently aged 65 (years)	<b>26.0</b>	26.6
Male currently aged 45 (years)	<b>26.5</b>	26.5
Females currently aged 45 (years)	<b>27.8</b>	29.0
	<b>2018</b>	2017
Scheme assets	<b>£63.6 billion</b>	£60.0 billion
Total scheme liabilities	<b>£72.0 billion</b>	£77.5 billion
FRS102 Total scheme deficit	<b>£8.4 billion</b>	£17.5 billion
FRS102 Total funding level	<b>88%</b>	77%

### University of Stirling Pension Scheme

The University sponsors the University of Stirling Pension Scheme (USPS), a funded defined benefit pension scheme in the UK. USPS 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 University pays the cost of the USPS 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 2015. Following the actuarial valuation, the University agreed to continue making contributions to the USPS at the rate of £800k per annum.

The results of the 31 July 2015 calculation has been projected to 31 July 2018 with allowance for cash flows over the period and using the assumptions set below. The figures in the following disclosure were measured using the Projected Unit Method.



# Notes to the Accounts (continued)

## 30 Pension Schemes (continued)

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

	2018	2017
	£'000	£'000
Defined benefit obligation	<b>(80,611)</b>	(86,104)
Fair value of plan assets	<b>85,285</b>	82,030
Net defined benefit (asset)	<b>4,674</b>	(4,074)
<b>Net amount recognised at year end (before any adjustment for deferred tax)</b>	<b>4,674</b>	(4,074)

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.

	2018	2017
	£'000	£'000
<b>Service cost:</b>		
Current service cost (net of employee contributions)	-	-
Administration expenses	<b>231</b>	213
Net interest expense/(credit)	<b>103</b>	243
<b>Charge/(credit) recognised in profit or loss</b>	<b>334</b>	456
Remeasurements of the net liability:		
Return on scheme assets (excluding amount included in net interest expense)	<b>(4,455)</b>	(5,145)
Actual (gains)/losses	<b>(3,827)</b>	(273)
Charge/(credit) recorded in other comprehensive income	<b>(8,282)</b>	(5,418)
<b>Total defined benefit cost/(credit)</b>	<b>(7,948)</b>	(4,962)
<b>The principal actuarial assumption used:</b>		
	2018	2017
Liability discount rate	<b>2.90%</b>	2.70%
Inflation assumption – RPI	<b>3.20%</b>	3.20%
Inflation assumption – CPI	<b>2.20%</b>	2.20%
Rate of increase in sales	<b>2.20%</b>	2.20%
<b>Revaluation of deferred pensions:</b>		
	2018	2017
- in line with CPI inflation capped at 5% p.a.	<b>2.20%</b>	2.20%
- in line with CPI inflation capped at 2.5% p.a.	<b>2.20%</b>	2.20%

# Notes to the Accounts (continued)

## 30 Pension Schemes (continued)

	2018	2017
<b>Increase for pensions payment:</b>		
- in line with CPI inflation capped at 3% p.a.	2.00%	2.00%
- in line with RPI inflation capped at 5% p.a.	3.10%	3.10%
- in line with RPI inflation capped at 2.5% p.a.	2.20%	2.20%
<b>Expected age at death of current pensioner at age 65:</b>	<b>2018</b>	2017
Male aged 65 at year end:	85.9	86.0
Female aged 65 at year end:	87.8	87.9
<b>Expected age at death of current pensioner at age 65:</b>		
Male aged 65 at year end:	87.3	87.4
Female aged 65 at year end:	89.4	89.4

### Reconciliation of scheme assets and liabilities:

	Assets £'000	Liabilities £'000	Total £'000
At start of period	82,030	(86,104)	(4,074)
Benefits paid	(3,938)	3,938	-
Administration expenses	(231)	-	(231)
Current Service Cost	-	-	-
Contributions from the employer	800	-	800
Interest income/(expense)	2,169	(2,272)	(103)
Return on assets (excluding amount included in net interest expense)	4,455	-	4,455
Actuarial losses	-	3,827	3,827
<b>At end of period</b>	<b>85,285</b>	<b>(80,611)</b>	<b>4,674</b>

### The return on plan assets:

	2018 £'000	2017 £'000
Interest income	82,030	(86,104)
Return on plan assets (excluding amount included in net interest expense)	(3,938)	3,938
Total return on plan assets	(231)	-
The major categories of scheme assets are as follows:		
Return seeking	52,770	52,969
Bonds/LDI	23,541	21,477
Gilts	494	-
Index Linked	299	-
Property	7,881	7,432
Other Cash	300	152
<b>Total market value of assets</b>	<b>85,285</b>	82,030

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

# Composition of Committees concerned directly with Finance

In the year ended 31 July 2018

## Membership of Audit Committee

Mr K Fraser \*  
Mr S Haldane (Chair)\*  
Ms M Khnichich \*  
Rev M Roderick \*

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

Mr H Adam \*  
Professor A Bowes  
Professor G Burt  
Mr J Grant  
Mr H Grossart \*  
Professor M MacLeod  
Professor G McCormac  
Ms B McKissack \*  
Mr S Morrow  
Dr G Ochoa  
Professor R Oram  
Professor J Phillips  
Ms F Sandford \*  
Ms E Schofield  
Ms A Smallenbroek  
Professor Leigh Sparks  
Mr A Sturgess (Chair) \*

\* Lay member

# The University Court

For the year to 31 July 2018

## Ex-Officio Members:

### Professor (Francis) Gerard McCormac

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

### Professor Malcolm MacLeod

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

### Councillor Christine Simpson

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

### Ms Astrid Smallenbroek

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

### Mr Jamie Grant

BA (Stirling) – Vice President Communities, University of Stirling Students' Union

## Appointed Members:

### Mr Harry Adam

BA (Stirling), MCIPD, MIOD – appointed by Court

### Mr Simon Niall Anderson

MA, MSc (Edinburgh) – appointed by Court

### Mr Kevin Condon to 30 November 2017

BA (Stirling), DipM, DipCIPD – appointed by Court

### Mr James Dick

Appointed by the Staff Assembly

### Professor Jayne Donaldson

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

### Ms Alison Green

LLB, Dip LP (Edinburgh), ACIBS, FHEA – appointed by Academic Council

### Mr Hamish Grossart

BA (Stirling) – appointed by Court

### Mr Scott Haldane

BA (Stirling), CA, FHFMA – appointed by the Court

### Ms Kate Howie

BSc (Glasgow) – appointed by Academic Council

### Mr Sean Lewis

BA (Stirling), CA – appointed by Court

### Ms Lynne Anne Marr

LLB (Edinburgh), DipLP – appointed by Court

### Ms Barbara McKissack

BA (Stirling) – appointed by Court

### Ms Catriona Morrison MBE

BSc (Glasgow), MSc (University of Alberta), PGDip (Stirling) – appointed by Court

### Professor Holger Nehring

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

### Professor Leigh Robinson to 30 September 2017

BPhyEd (Otago), MSc, PhD (Loughborough) – appointed by Academic Council

### Reverend Maggie Roderick

BA (Stirling), BD (St Andrews), DipCG (Strathclyde), FCTSI, FRSA – appointed by Court

### Fiona Sandford

BA (Stirling) - appointed by Court – Chair of Court

### Mr Andrew Sturgess

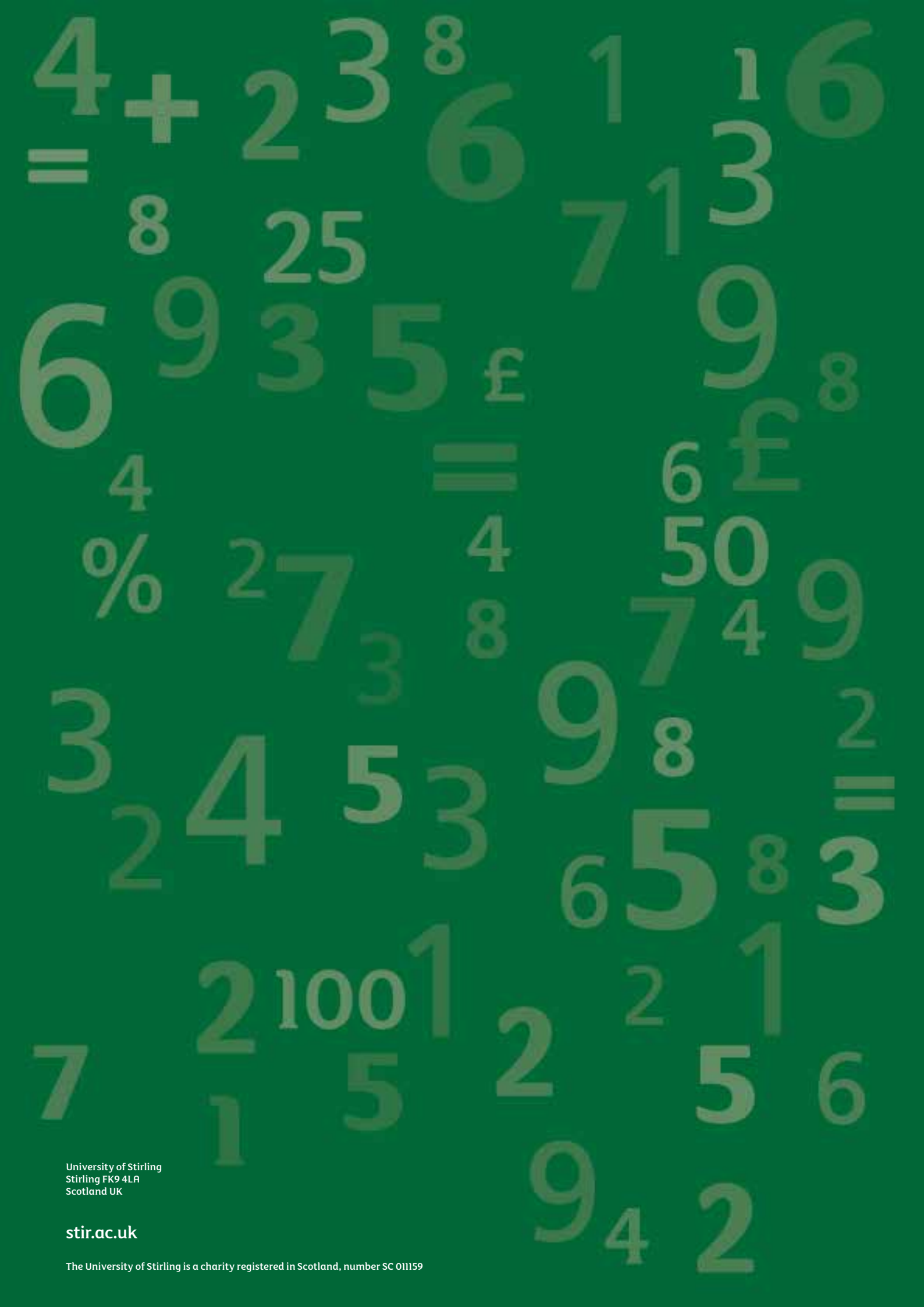
BA (Stirling) FCA, CA – appointed by the Court

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Scotland UK

[stir.ac.uk](http://stir.ac.uk)

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