

UNIVERSITY of
STIRLING



Annual Report and Financial Statements 2022-2023

BE THE DIFFERENCE



Table of Contents

| | |
|--|-----------|
| Principal’s Introduction | 5 |
| 1. Who we are | 7 |
| 2. Our Structure | 8 |
| 3. Our Strategy and 2022-23 Performance | 10 |
| 4. Sustainability | 15 |
| 5. Strategic Risks | 16 |
| 6. Looking to the future | 18 |
| 7. Corporate Governance | 20 |
| 8. Financial Review 2022-23 | 26 |
| 9. Accounting Responsibilities of the University Court | 30 |
| 10. Independent Auditor’s Report to the Court of the University of Stirling (the “University”) | 32 |
| 11. Statement of Accounting Policies | 36 |
| 12. Consolidated and University Statement of Comprehensive Income for the year ended 31 July 2023 | 46 |
| 13. Consolidated and University Statement of Change in Reserves for the year ended 31 July 2023 | 47 |
| 14. Consolidated and University Statement of Financial Position as at 31 July 2023 | 48 |
| 15. Consolidated Statement of Cash Flows for the year ended 31 July 2023 | 49 |
| 16. Notes to the Financial Statements | 51 |



Principal's Introduction

The 2022-23 academic year marked the end point of our Strategic Plan 2016-2023, and saw the University progress on all fronts towards our strategic objectives.

Over the year, we consulted widely on the University's new Strategic Plan. We engaged with staff, students and external stakeholders who helped to shape our future vision, values, mission and purpose.

During the year, and despite a challenging international context, we had exceptional success in international student recruitment, increasing student numbers from Africa and Asia in particular, as well as growing our transnational education and partnership activity. As a result, our total global student population now exceeds 18,500. As a highly sought-after study destination, ensuring we continue to deliver a fantastic student experience is foremost and, over the course of the year, we made significant investment in both our faculty and professional services staffing complement – with an increase of over five per cent of staff in academic areas.

It was pleasing to see our high-quality facilities recognised in the International Student Barometer 2022, which ranked Stirling first in the UK and top three in the world for campus environment, and first in the UK and top five in the world for our sports facilities. Furthermore, the success of our Campus Central investment was underlined with the social and study space crowned a winner at the 2023 Royal Incorporation of Architects Scotland (RIAS) Awards.

Our students continued to reflect positively on their time at Stirling, as we ranked top 30 in the UK for overall student satisfaction in both the National Student Survey 2022 and the Postgraduate Taught Experience Survey 2022. We were named among the top 500 global universities in the QS World University Rankings, while the HESA Graduate Outcomes survey affirmed the importance of a Stirling degree – with 96 per cent of our graduates in employment or further study within 15 months of graduating.

Growth in student recruitment, research and commercial income has resulted in the University realising its strategic objective to increase its income by more than £50 million – a trajectory we intend to build on in the years to come.

The University continued its central role in delivering the £214 million Stirling and Clackmannanshire City Region Deal. In 2022-23, Scotland's International Environment Centre, a flagship project led by the University, continued to gather momentum, while the other projects spearheaded by the University – the National Aquaculture Technology and Innovation Hub and the Intergenerational Living Innovation Hub – also made important progress.

In October, we launched Forth Valley University College NHS Partnership – an ambitious landmark partnership between the University, Forth Valley College and NHS Forth Valley. Working across four areas – learning, careers, research and innovation, it is the first regional partnership between a health board, university and college in Scotland.

Our research continues to deliver positive solutions for people, societies, and industry; not only regionally and nationally, but across the world. Enabled by a dynamic and collaborative research community and strategic, targeted research support, our researchers are breaking new ground in tackling real-world challenges, such as climate change, food security and an ageing population. More than ever, Stirling research is making a difference; challenging ideas, influencing policy and practice, and changing lives every day.

As Scotland's University for Sporting Excellence, we continue to invest in sport and those investments continue to reap rewards with our sports scholars regularly competing at the highest levels. Notably, our swimmers returned from the 2022 Commonwealth Games with a record 16 medals – and we eagerly anticipate what lies ahead at next year's Olympics in Paris.

I am incredibly proud of the achievements of our staff and students and the continued progress towards our institutional goals is to be celebrated – it places the University on a robust footing for the future. The diversity of talent, expertise, and enthusiasm that we have in Stirling means we can look ahead with confidence as we take forward our shared commitment to deliver impactful world-leading research, excellence in learning and teaching, and an unrivalled student experience.



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

Professor Sir Gerry McCormac
Principal and Vice-Chancellor



18,500+
students
globally

140+

nationalities
represented
on campus



Top 500
universities
in the world

(QS World University Rankings 2024)

Top 5 in the UK
for Communication and
Media and Criminology

(Times and Sunday Times Good University Guide 2023)



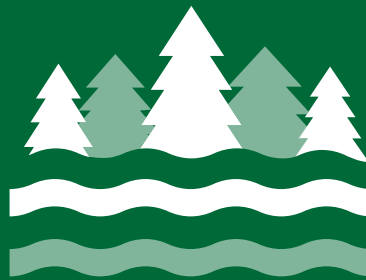
Top 10
in the UK
for Education

(Complete University Guide 2024)

Top 100

for United Nations
Sustainable Development
Goal (SDG) 2: Zero Hunger

(82 in THE Impact Rankings 2023)



Top 200

for SDGs 13: Climate Action,
14: Life Below Water, 15: Life
on Land, and 16: Peace, Justice
and Strong Institutions

Top 10 in the UK
for Politics and Marketing
and Public Relations

(Guardian University Guide 2024)



**1st in the UK, top 3 in
the world for campus
environment**



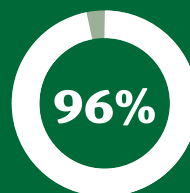
**1st in the UK and top 5 in the
world for sports facilities**

(International Student Barometer 2022)



**Award-winning
campus facilities**

(Campus Central, 2023 RIAS Awards)



96%
of leavers
in a positive
destination

(Graduate Outcomes 2020-21, HESA)



1. Who we are

The University of Stirling is an outward-looking international university, with a global reputation for providing high-quality education with a purpose and carrying out research that helps to shape society.

We are an agent for change and strive to create impact in everything we do. We deploy innovative teaching practices and learning infrastructure in order to provide the best possible environment to support student learning. Our aim is to unlock the full potential of the 18,500+ students that study across a range of undergraduate and postgraduate programmes each year, and to equip them with the skills to thrive as global citizens in our fast-moving world.

Our vision is to be recognised across the world as a university that addresses the needs of society through innovative interdisciplinary research. We are proud that our work is already making a positive impact on people's health, education and wellbeing, and we are working hard to do even more through our mission-orientated research across three interconnected missions of Spaces, Places and Lives to generate new knowledge, innovation and solutions to deliver substantial benefits locally and globally.

2. Our Structure

Our university campus is renowned for its natural beautiful setting. Through a transformative programme of campus infrastructure developments, we have continued to enhance our learning, teaching and social spaces to encourage connection and engagement across our community.

Our academic structure is organised into five faculties across Arts and Humanities, Social Sciences, Health Sciences and Sport, Natural Sciences and Stirling Management School. The Institute for Advanced Studies provides a hub for Stirling's thriving research community, promoting interdisciplinary research across the University, from postgraduate research students, post-doctoral and early career researchers, to senior researcher cohorts. Academic activities are supported by integrated professional services. The University's **Professional Services** comprise 10 directorates.

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

We have a diverse and vibrant community of staff and students from more than 140 countries. While the majority of our students continue to come from within the UK, the overall proportion of our international student population has continued to grow as we develop our diverse university community.





3. Our Strategy and 2022-23 Performance

The University of Stirling is an international university with a global reputation for high-quality teaching and research.

Our vision is to be recognised across the world as a university that addresses the needs of society through innovative interdisciplinary research, learning and teaching of the highest quality, and by sharing our knowledge with the world. Our 2016-2021 Strategic Plan, and associated Addendum 2021-2023, set ambitious targets for the University across three overarching institutional objectives to focus on the steps needed to achieve our goals. These aims are to:



Embedded across each of our strategic objectives is the ambition to ensure that internationalisation is at the heart of everything we do. These objectives are underpinned by a suite of enabling strategies. The 2022-23 academic year is the final year of the Strategic Plan Addendum 2021-2023. The Addendum extended the ambitious goals and stretch targets of the Strategic Plan 2016-2021 through the uncertain years of the pandemic, ahead of the launch of a new strategic plan in 2023-24. Underpinning each strategic ambition is a series of strategic key performance indicators (KPIs) to articulate the University’s stretch targets in achieving our ambitions.

Be one of the top 25 universities in the UK

We measure our ambition to “be one of the top 25 universities in the UK” against indicators measuring student satisfaction and success, with an aim to be within the top quartile for each in the UK.

**Top 30
in the UK
for Student
Satisfaction**

(NSS) in three of the last four years

**84%
Postgraduate
satisfaction**

1.3% above the UK average (PTES 2023)

**96% of our
graduates
are in a positive
destination**

(Graduate Outcomes 2020-21)

Performance

Delivering a seamless learner journey, a high-quality and supportive learning environment that enables our students to succeed remains a key priority. Our community learning approach focuses on both connected face-to-face teaching on campus, alongside delivering inclusive hybrid teaching. Throughout the lifetime of the 2016-2023 Strategic Plan, the University secured positive performance for student experience, across both our undergraduate and postgraduate cohorts.

Looking ahead, we will implement a range of improvements that will continue to see students placed at the heart of our strategic objectives to deliver a world-leading student experience. This will include the continued redevelopment of our learning spaces, as part of a transformative programme of campus infrastructure development. Our commitment to supporting student success is reflected in an undergraduate retention rate of 94%¹.

Just as vital as providing a high-quality and supportive learning environment for our students while they are with us, is ensuring that they achieve positive outcomes after graduation. From 2020-21 onwards, the University has achieved successive improvements in the proportion of our graduates who are in positive destinations or in a graduate-level job (HESA Graduates Outcomes 2020-21 survey). Our centralised Student Skills and Employability (SSE) team work closely with our academic faculties to ensure that work-based learning is embedded in the curriculum and that our students are best placed upon graduation to find meaningful fulfilling destinations in line with their career ambitions.

Supporting a physically and mentally healthy community remains a core value of the University. Our **Mental Health Strategy**, developed in partnership with our Students' Union, sets out our ambition to foster and nurture a culture and environment that respects, protects, promotes and enhances the mental health and wellbeing of all students and staff to enable them to thrive and achieve their full potential. Following investment in our recently redeveloped Sports Centre, the University has been ranked within the top five globally and first in the UK for our sports facilities and campus environment in the autumn wave of the 2022 **International Student Barometer**.

Increase our income by £50 million

Our ambition is to diversify our income streams and to continually grow income from our unregulated student recruitment, our research income and commercial services.

£169.7m Total Income,
growth of 55.3%
since baseline (2014-15)
£155.2m (2021-22)

£17.8m Research Income,
growth of 54.2% since
baseline (2014-15)
£17.4m (2021-22)

£19.5m Commercial
Income, growth of 15.9%
since baseline (2014-15)
£16.1m (2021-22)

Growth of 237% for our PGT International
population since baseline (2014-15)

Achieved our largest ever
RUK undergraduate cohort
(1,038 FTE in 2022-23)

Performance

Following on from strong recruitment in recent years, the University has continually grown the unregulated student population, and in 2022-23 secured our largest cohorts to date for postgraduate taught (PGT) overseas, undergraduate (UG) rest of UK (RUK) and overseas. Partially as the result of the continued growth in the unregulated student population, the University has achieved significant growth in institutional income, securing an increase of £14.5m on last year and a growth of 55.3% since the baseline in 2014-15. Consolidating this growth and further diversifying our student markets will play a key role in the implementation of our next strategic plan.

¹ Based on internal data of retention due to cessation of the HESA non-continuation performance indicator.

Continued growth in our unregulated student population has contributed to an upward trajectory for total university income with the University having achieved growth year-on-year since 2019-20 and securing a milestone achievement in 2022-23 with the highest University income throughout this strategic period. This success is further underpinned through similar milestone achievements in both research income and commercial services income.

With a strategic ambition to ensure that internationalisation is central to all that we do, the University has established a diverse range of innovative partnerships globally and continually grown our income streams through our transnational education (TNE) partnerships with year-on-year growth.

Enhance our research profile by 100 percent

As a research-intensive university, we are ambitious in seeking to double our research profile. We measure our performance in this area through indicators across our postgraduate student recruitment, research grant and contract income and our international research reputation.

Cutting-edge research
through our City Region Deal
partnerships in the Scottish
International Environment
Centre (SIEC)

**Top 500
universities
globally**

(431, QS WUR 2024)

**£16.8m Research
Grant Contract
Awards (2022-23)**

£13.7m (2021-22)

Our research staff are critical to our long-term research sustainability and are thus placed at the heart of a new Research Innovation Strategy due to launch in winter 2023. Fostering a sense of belonging is a key element of supporting our research community. Activities such as a new Research Culture Champions Network, to share good practice across our community, and a comprehensive researcher development programme, developed in partnership between the Institute for Advanced Studies and the Research, Innovation and Business Engagement directorate are just some examples of activity undertaken to support our research postgraduate students, following a mixed recruitment cycle in 2022-23.

Performance

Having secured strong REF (Regional Excellence Framework) results in 2020-21, the University has continued to grow its research income – securing a milestone achievement across the life of this strategic plan of £17.8 million, a growth of 54% since the baseline of 2014-15. Driven by our new Research and Innovation Strategy, the University will continue to build upon this milestone achievement underpinned by both a strong research grants pipeline and through our key role in the Stirling and Clackmannanshire City Region Deal. The City Region Deal brings an investment package of £214 million to the region, with key projects for the University including the National Aquaculture Technology and Innovation Hub (NATIH), Scotland's International Environment Centre (SIEC) and the Intergenerational Living Innovation Hub.

Our changed approach to Research Grant Contract (RGC) awards, to target large, thematic, solution-focussed grants, continues to bear success with the University securing the second highest RGC awards in 2022-23 of this strategic period. Our award pipeline for future years is strong, continuing to support future research income streams.

Our Staff

Our success as a University depends upon our people, and we strongly value the skills, experience and involvement of our staff community. Having introduced an agile working framework last year, the University continues to ensure that our staff are able to achieve a healthy work-life balance. To help staff achieve this, our Employee Assistance Programme (EAP) offers emotional, psychological and practical help for a wide range of personal and work-related issues. Fair work forms a core pillar of our employment practices, and we have been committed to paying the real living wage to our staff since 2015, with supplements applied to relevant points on the grading structure.

The University's return for the Trade Union (Facility Time Publication Requirements) Regulations 2017 is available [here](#). This contains details of the number of employees who were relevant union officials, the percentage of their working hours spent on facility time, percentage of pay bill spent on facility time and paid trade union activities.

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

Equality and Diversity

The promotion of equality of opportunity has been a fundamental value of the University of Stirling since its establishment in 1967. Our charter states that "the University shall be committed to the fair and equal treatment of every person and shall not discriminate on unjustified, irrelevant or unlawful grounds."

The University of Stirling is committed to creating and sustaining a positive, stimulating and supportive working environment for our staff, and an excellent teaching, learning and research experience which encourages our students to thrive academically and personally.

As an employer and a provider of education, we strongly value the diversity of our staff and students. We aim to create an environment and culture where staff and students are equally valued and respected, where diversity is celebrated, and where our staff and students are able to achieve their full potential, to contribute fully, and to derive maximum benefit and enjoyment from their involvement in the life of the University.

We recognise that equality, diversity and inclusion is fundamental to good governance and management practices, and that these principles will support the University to achieve its strategic priorities and outcomes.

We see the promotion and mainstreaming of equality and diversity as integral to all that we do. Our goal is to create and nurture a university culture and environment based on fairness, equality, cultural diversity, inclusion and respect.

Our Equality Principles

- A holistic whole institution approach
- Inspirational and impactful leadership
- Proactivity to address systemic inequalities and barriers
- Evidence-based interventions
- Continuous improvement to build innovative practice
- Recognising and responding to intersectionality between characteristics
- Active allyship to those experiencing inequalities

As well as being documented within our Strategic Plan, our commitment to equality and diversity and our activities for the coming years are laid out within our institutional Equality Outcomes 2021-2025. These outcomes are informed by an analysis of progress made against the previous 2017-2021 Equality Outcomes, recent developments in the external environment, and guidance issued by the Scottish Funding Council (SFC), Universities UK and the Equalities and Human Rights Commission.



4. Sustainability

The University of Stirling is committed to addressing the sustainability agenda and playing our role in the need to build a fairer and greener society in support of the United Nations (UN) Sustainable Development Goals.

Our researchers are at the forefront of efforts to develop innovative responses to climate change, enabling adaptation and resilience and driving forward carbon neutral prosperity. For example, the Forth Environmental Resilience Array (Forth-ERA), a multi-million pound investment through SIEC, is now under way and will provide the region with the world's first green recovery platform, creating a regional living laboratory across the Forth Valley.

As signatories to both the **Sustainable Development Goals (SDG) Accord** and the **Race to Zero for Universities and Colleges** campaign, the University has publicly committed not only to protecting our environment and to the reduction of our own carbon emissions but also to the development of a range of socially sustainable solutions. Additionally, the University is a key signatory to the **Forth Valley for Net Zero** which commits Stirling to sharing best practice with our strategic partners and to help the region achieve net zero status by 2040.

2022-2028 Sustainability Plan Themes

Through our Sustainability Plan, we have embedded the UN Sustainability Development Goals across six themes to support a transition to a fairer, and more sustainable world. Our success in this area to date is demonstrated by the results of the most recent Times Higher Education (THE) Impact Rankings, for which the University was ranked joint 82nd within the Zero Hunger SDG, and within the top 200 globally for Climate Action, Life Below Water, Life on Land, and Peace, Justice and Strong Institutions.

Our annual carbon emissions are published within the Public Bodies Climate Change Reporting, with the latest report available [here](#).



Carbon (Energy) Management



Sustainable Waste & Recycling



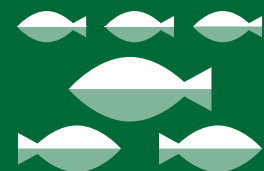
Finance & Sustainable Procurement



People, Green Travel & Partnerships



Sustainability in Teaching, Learning & Research



Climate Adaptation & Biodiversity

5. Strategic Risks

The register of strategic risk helps the University to measure and assess the most significant threats and opportunities that could impact on the delivery of our strategic plan targets, with risks aligned against each strategic objective. An overview of institutional strategic risks aligned with cross-cutting strategic themes are below:

| | |
|--|---|
| Student Experience: | |
| <p>With an evolving profile of the student population, there is a risk that the student experience is diminished.</p> | <p>We are prioritising the student experience through additional investment in student support and careers support services. A new student and faculty operations team has been established to integrate professional services and faculty operations to support the growth in our student numbers and increasing diversity of the population.</p> <p>Recognising the increasing pressures on student accommodation, we have embedded effective scenario and contingency planning through our Accommodation Strategy to support our students in securing accommodation.</p> |
| Financial Sustainability: | |
| <p>A challenging economic environment, constrained public funding settlements, changing UK Government immigration policy and geopolitical volatility present a risk to the financial sustainability of the University.</p> | <p>The University has proactively grown its income streams to mitigate against the challenges of a constrained public funding environment. Having successfully grown our unregulated student intake, we continue to take a proactive approach to recruitment, marketing and portfolio development to ensure the diversification of our student population.</p> |
| Estates and Sustainability: | |
| <p>A risk that the campus infrastructure will degrade and not support the University's net zero ambitions.</p> | <p>Recognising the rising costs of energy and construction in a challenging economic environment, the University has adapted its projects and expenditure for the coming year in response to adverse procurement and supply conditions. We will prioritise and risk assess our expenditure on infrastructure as part of our five-year Infrastructure Plan.</p> <p>A reduction in energy usage is being driven by our Sustainability Plan, to ensure the University is able to meet its net zero ambitions.</p> |
| Cyber-security and IT Core Infrastructure: | |
| <p>Failure to adequately maintain and develop technology leads to a risk to service delivery and business continuity.</p> | <p>As part of the development of a new digital strategy we have prioritised improvements and investment to IT infrastructure. Our business continuity plans cover all operational areas of the University including stress-testing.</p> <p>We are continually enhancing our resilience and preparedness in cyber security through our Cyber Security Board. Specific actions undertaken include an accelerated roll-out of multi-factor authentication, cross-sector and internal working through the JANET network to strengthen defences in response to an emergent elevated level of malicious activity.</p> |
| Research Profile: | |
| <p>A challenging and changeable external environment results in difficulties in capitalising on REF and research income successes.</p> | <p>Recognising the long-term impacts of Brexit on research income, the University has taken steps to diversify research applications to increase income from other international funding opportunities.</p> <p>A detailed research performance action plan has been agreed and implemented, and the results and findings of the REF 2021 exercise have been integrated into the development of both the new institutional Strategy, and a new Research and Innovation Strategy.</p> |
| Our Staff: | |
| <p>External pressures lead to difficulties in the recruitment and retention of high-quality staff, combined with financial pressures relating to pay awards and pension costs.</p> | <p>Modelling of the existing staff base has been undertaken to identify potential risks and opportunities as part of the institutional planning process. The staff experience continues to be prioritised and additional engagement and development work will be undertaken to further enhance this.</p> <p>The University continues to work closely with local-level industrial relations in regard to strike action and has implemented business continuity planning to mitigate constraints to undertaking business as usual activities.</p> |



6. Looking to the future

The 2023-24 academic year will be one of transition for the University.

The new strategic plan, due to launch in early 2023-24, will lay the foundations for the University to build on our significant achievements to date and to successfully realise our future ambitions as a university that makes an impact on people's lives and acts as a force for good in the world.

As we move forward, the University aims to be at the forefront of a new era for education and will focus on enhancing the student experience, increasing our research excellence, strengthening our partnerships, enhancing our international reputation and becoming more sustainable to achieve net zero.

Our strategic priorities over the course of the next strategic plan up to 2030 include:

Students

Focusing on personal and academic growth to produce creative, responsible, skilled and resilient graduates.

By 2030, we will be the difference by:

- Securing UK top-20 outputs in independent measures of student satisfaction, including the National Student Survey and Postgraduate Taught Experience Survey.
- Growing student numbers sustainably to 20,000 across all locations of study.
- Producing graduates who are culturally aware and have the skills needed to secure graduate employment or postgraduate study.

Staff

Enhancing our culture of support for one another, enabling colleagues to develop and sustain fulfilling careers.

By 2030, we will be the difference by:

- Attracting talent and growing staffing levels in proportion to teaching and research activity.
- Achieving high rates of staff engagement and harness the insight leveraged to support our staff, through targeted training and development, to build fulfilling careers.
- Improving the retention of staff across all areas, and seeing early career staff progress within the institution.

Research

Producing world-leading research and innovation with national and global impact.

By 2030, we will be the difference by:

- Increasing our cross-disciplinary research profile and the impact that our research has upon society.
- Increasing research grant capture to £40 million a year while also increasing the number of research-active academic staff proportionally.
- Significantly improve our research performance in REF28, establishing ourselves among the leading research-intensive universities of our age, size and scale.

Engagement

Partnering key players in our city, region, nation and the wider world to make a difference.

By 2030, we will be the difference by:

- Increasing the number of highly impactful partnerships with universities, organisations, governments and businesses to support economic, social and cultural development.
- Being seen as a leader in climate change research, and an advocate for change by reducing carbon emissions in tandem with the ambitions set out in our Sustainability Plan.
- Being at the heart of strong international networks in research, learning and teaching, and harnessing the power of our alumni network.

Health and Wellbeing

Investing in our university community's health, and impacting the health of society through research and education.

By 2030, we will be the difference by:

- Tracking the wellbeing of students and staff, investing in programmes to improve health and resilience.
- Demonstrating increased participation rates in sport, culture and arts activities by staff and students.
- Reducing absence levels due to mental and physical ill-health.



7. Corporate Governance

The University is committed to the highest standards of corporate governance relevant to the higher education sector. In the opinion of Court, the University complied with the principles and provisions of the **Scottish Code of Good Higher Education Governance** throughout 2022-23 and has been in compliance with the **Higher Education Governance (Scotland) 2016 Act**. 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).

University Governance

The Charter outlines the role of the University and how the University should be governed. In accordance with the **Charter**, **Court** is the governing body of the University. It has overall responsibility for the management of the University's resources, the ongoing strategic direction of the University and the approval of major developments. It also receives regular reports from Executive Officers on the day-to-day operation of the University's business. Court has a **Statement of Primary Responsibilities** which sets out its responsibilities in relation to mission, vision and strategy; students and staff; financial systems and control environment; corporate governance, and senior management.

Academic Council is the body responsible for the academic work of the University (teaching and research) and for the regulation and superintendence of the education, discipline and welfare of students. While Court has the final responsibility for governing the University, on academic matters it will normally only act on the recommendation of Academic Council or with the concurrence of the Academic Council, the existence and membership of which is provided for in the University's Charter and its allied instruments, the **Statutes** and **Ordinances**. This is partly facilitated by the Joint Policy, Planning and Resources Committee (JPPRC), a joint Committee of University Court and Academic Council which considers issues relating to the University's finances, estates, information services, and staffing, and their integration with academic planning. JPPRC also scrutinises new or revised university policies and recommends their approval to University Court and/or Academic Council.

Further information on the University's committee structure can be found on page 24. Each of the committees is formally constituted with terms of reference and conducts its business through regular meetings.

Effectiveness

The membership of the Court comprises lay members, who are in the majority, the balance being made up of staff and student members as prescribed by Statute, some of whom are ex officio. The Chair of Court is responsible for the leadership of the University Court and was appointed by an open, transparent recruitment process, managed by the Governance and Nominations Committee which included involvement by staff and students, followed by an election with an electorate of all staff, students and Court members. The Vice Chair of University Court was appointed following a thorough selection and appointment process. 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.

Court is committed to ensuring ethical standards in public life. On joining Court, members are required to sign a statement confirming they understand their responsibilities and will abide by the Principles of Public Life in Scotland. Inductions are held for new members of Court which provide members with an outline of their governance responsibilities and highlights some of the key issues of interest to Court members, particularly in relation to the external environment. Meetings of Court are normally preceded by presentations or visits to different academic and service areas of the University to help Court members improve their understanding of the operations of the University. Training is supplemented by members attending programmes offered by Advance HE Governors Development Programme as and when required.

Lay members of Court have a range of skills and backgrounds. Current members have expertise in human resource management, corporate law, work culture, local government, strategic planning, IT services, accountancy, internationalisation, creative industries, sports development, business development, social justice, consumer rights, healthcare, business and finance. Court maintains a Register of Interests of its members and senior University officers. The current interests of members of the Court are published on the University's [website](#).

The Court met four times during 2022-23 and considered the development of the Strategic Plan, reports on the University's performance, the integrated plan and budget that included capital and major infrastructure updates, activity led by the University's City Region and Growth Deal Programme Board and maintained oversight of people matters, the student experience and matters arising from the student body with updates from the Students' Union. At its meeting in

December 2022, Court also considered an internal review of its effectiveness and the effectiveness of its committees, which considered compliance with the Higher Education Governance (Scotland) 2016 Act and the Scottish Code of Good Higher Education Governance.

A list of University Court members and a record of their attendance during the year can be found at Table 2 on page 23. Membership of committees concerned directly with finance is listed at Table 3.

Corporate Strategy

The Court Strategy Day was held during October 2022 to engage members of University Court in the development of the next Strategic Plan 2023-30. Members reflected upon successes, challenges and emergent opportunities and considered the University's values and whether they remained appropriate for the forthcoming strategic planning period, ambitions concerning the student experience and the future scale of the institution, how the University should position itself as a research-intensive institution and its role in the region and nationally. Further detail on corporate strategy is set out in the Strategic Report section on pages 6 - 18.

Risk Management and Internal Controls

Within a changeable external environment, the University implements sound risk management to achieve our Strategic Plan targets. Court is responsible for the University's system of internal control and for reviewing its effectiveness, through a system designed to manage the risk of failure to achieve business objectives. Our approach to risk management is set out in full within **Risk Management Policy** and associated **Risk Appetite Statement**. A register of strategic risk is maintained and reviewed on a regular basis by the Audit Committee on behalf of the University Court. All academic faculties and professional service areas maintain their own respective risk registers as live documents as part of the strategic planning process. The register of strategic risk helps the University to measure and assess the most significant threats and opportunities that could impact on the delivery of our strategic plan targets, with risks aligned against each strategic objective. An extract of the most significant risks is presented on page 16.

The internal control environment includes delegated authorities, policies, procedural and system controls, planning and budgetary processes, professional capability in specialist areas, governance structures and management reporting. A Delegated Authority Schedule lists those committees or individuals to whom authority has been delegated by the University Court to commit the University to a contractual or quasi-contractual arrangement within approved budget limits. The senior management team receives regular reports on the University's performance, including appropriate performance indicators, and considers any control issues brought to its attention by early warning mechanisms which are embedded within the operational units and reinforced by risk awareness training. The senior management team and the Audit and Risk Committee also receive regular reports from Internal Audit which include recommendations for improvement.

Going Concern

The University's activities and the factors likely to affect its future development, performance and position are set out in the Strategic Report. Its financial performance for the year to 31 July 2023, income and expenditure, assets, liquidity and cash flows are set out in more detail in the Financial Statements (pages 46 - 49). The financial impact of various scenarios is regularly modelled and assessed. Although the University faces many challenges, through management of our risks and cost base, Court is confident in the continuing financial sustainability of the University and that we will remain a going concern.



Table 1: University of Stirling Committee Structure


| | |
|---|--|
| <p>University Court Chair - Mr Harry Adam</p>  | <p>Audit Committee Chair: Mr Kenny Fraser, Lay Member of Court</p> <p>Reporting directly to Court, Audit Committee ensures that appropriate controls are in place to safeguard all funds received by the University, and reviews and monitors accounting policies and practice. The Committee has the right of access to all information it considers necessary and to consult directly with both internal and external auditors to ensure the good governance of the University.</p> |
| | <p>Academic Promotions Committee Chair: Principal, Professor Sir Gerry McCormac</p> <p>Considers all applications and nominations for academic promotions and reviews academic promotions criteria.</p> |
| | <p>Combined Joint Negotiation and Consultation Committee Chair: rotates annually between the University and Trade Unions</p> <p>Shares information as is necessary for effective negotiations and consultations on matters affecting terms and conditions of employment.</p> |
| | <p>Governance and Nominations Committee Chair: Mr Harry Adam, Chair of Court</p> <p>Oversees the University's compliance with corporate governance requirements, the conduct of Court members, and the appointment and election of members to Court and other committees.</p> |
| | <p>Remunerations Committee Chair: Ms Susan Hardy Gordon, Vice Chair of Court</p> <p>Undertakes a review of professorial and senior University Services staff salaries, including that of the Principal on an annual basis.</p> |
| | <p>University Research Ethics Committee Chair: Ms Catriona Morrison, Lay Member of Court</p> <p>Develops, implements and keeps under review arrangements to quality assure the University ethical review process; reports to Court on the operation of the ethical review process; provides guidance as to the activities to be undertaken by Research Ethics Panels and provides oversight of activities intended to promote research ethics and research integrity throughout the University.</p> |
| <p>Joint Policy Planning and Resources Committee Chair - Mr Hamish Grossart, Lay Member of Court</p>  | <p>Health and Safety Committee Chair: Professor Malcolm MacLeod, Senior Deputy Principal</p> <p>Reporting to Joint Policy, Planning and Resources Committee, the Committee considers and advises senior managers and Court on all matters relating to health and safety within the University.</p> |
| <p>Academic Council Chair - Principal, Professor Sir Gerry McCormac</p> | <p>Education and Student Experience Committee Chair: Professor Leigh Sparks, Deputy Principal (Education and Students)</p> <p>Provides key strategic institutional oversight and leadership of academic quality and enhancement, in respect to education, learning and teaching and the student experience.</p> |
| | <p>Honorary Degrees Committee Chair: Principal, Professor Sir Gerry McCormac</p> <p>To consider and make nominations for the award of honorary degrees to Academic Council and to periodically review nominations guidelines and criteria.</p> |
| | <p>Research Committee Chair: Professor Judith Phillips, Deputy Principal (Research)</p> <p>To progress, foster and review research activity across the University.</p> |

Table 2: Membership of University Court and attendance at meetings

| Role | Name | Court meetings attended | Committee Membership |
|---|---------------------------------|-------------------------|-------------------------------------|
| Chair of Court | Mr Harry Adam | 4 of 4 | APC, CJNCC, JPPRC, GNC, RC and UREC |
| Vice Chair of Court | Ms Susan Gordon Hardy | 4 of 4 | GNC; JPPRC and RC |
| Principal and Vice Chancellor | Professor Sir Gerry McCormac | 4 of 4 | APC, CJNCC, GNC, JPPRC and UREC |
| Senior Deputy Principal | Professor Malcolm MacLeod | 4 of 4 | APC, CJNCC, GNC, JPPRC |
| Provost of Stirling | Councillor Douglas Dodds | 4 of 4 | - |
| Student Members | Ms Natasha Miller to 31/05/23 | 3 of 3 | GNC, JPPRC, RC |
| | Ms Jess Reid to 31/05/23 | 3 of 3 | JPPRC |
| | Ms Leen Ali from 01/06/23 | 1 of 1 | GNC, JPPRC, RC |
| | Ms Zoe Crosher from 01/06/23 | 1 of 1 | JPPRC |
| Lay Member from University of Stirling Alumni | Rev Maggie Roderick to 13/12/22 | 2 of 2 | AC |
| Lay Members of Court | Dr Mary Allison | 4 of 4 | RC |
| | Mr Kenny Fraser | 4 of 4 | AC and GNC |
| | Dr Poonam Gupta | 2 of 4 | - |
| | Mr Hamish Grossart | 4 of 4 | GNC, JPPRC and RC |
| | Mr Graham Hastie | 3 of 4 | APC and JPPRC |
| | Mr Douglas Kearney | 4 of 4 | AC |
| | Ms Catriona Morrison | 4 of 4 | GNC and UREC |
| | Mr Julian Roberts | 4 of 4 | - |
| | Mr William Stancer | 3 of 4 | - |
| Academic Staff Member | Dr Paul Cowell to 12/06/2023 | 1 of 4 | - |
| Professional Services Staff Member | Ms Pam Crawford | 4 of 4 | - |
| Members from Academic Council's own membership | Professor Jayne Donaldson | 3 of 4 | APC, GNC |
| | Professor Holger Nehring | 2 of 4 | - |
| | Professor Julie Tinson | 3 of 4 | - |
| Trade Union Academic Staff Member | Professor Peter Hancock | 4 of 4 | CJNCC |
| Trade Union Members Professional Services Staff | Mr Gary Fleming from 01/10/2022 | 3 of 4 | CJNCC |

Key:

| | | | |
|--------------|---|--------------|--|
| AC | Audit Committee | JPPRC | Joint Policy, Planning and Resources Committee |
| APC | Academic Promotions Committee | RC | Remunerations Committee |
| CJNCC | Combined Joint Negotiation and Consultation Committee | UREC | University Research Ethics Committee |
| GNC | Governance and Nominations Committee | | |

Table 3: Membership of committees concerned directly with finance**Membership of Audit Committee**

| Member | Role |
|--|------------|
| Mr Kenny Fraser (Chair) | Lay Member |
| Mr Douglas Kearney | Lay Member |
| Mr Richard Henderson (from 24/01/23) | Lay Member |
| Reverend Maggie Roderick (to 12/12/22) | Lay Member |
| Ms Margaret Khnichich (to 16/05/23) | Lay Member |

Membership of Joint Policy, Planning & Resources Committee

| Member | Role |
|------------------------------------|--|
| Mr Harry Adam | Lay Member |
| Ms Leen Ali (from 01/06/2023) | President of the University of Stirling Students' Union |
| Ms Zoe Crosher (from 01/06/2023) | Vice President Communities, University of Stirling Students' Union |
| Ms Susan Gordon Hardy | Lay Member |
| Mr Graham Hastie (from 01/08/2022) | Lay Member |
| Professor Alistair Jump | Dean of Faculty |
| Professor Jayne Donaldson | Dean of Faculty |
| Mr Hamish Grossart (Chair) | Lay Member |
| Professor Malcolm MacLeod | Senior Deputy Principal |
| Professor Sir Gerry McCormac | Principal and Vice-Chancellor |
| Ms Natasha Miller (to 31/05/2023) | President of the University of Stirling Students' Union |
| Professor Judith Phillips | Deputy Principal |
| Ms Jessica Reid (to 31/05/2023) | Vice President Communities, University of Stirling Students' Union |
| Ms Eileen Schofield | University Secretary and Chief Operating Officer |
| Professor Leigh Sparks | Deputy Principal |
| Professor Neville Wylie | Deputy Principal |



8. Financial Review 2022-23

The University has once again performed exceptionally well across all income lines compared with the previous year. Notable successes reported throughout the year have been the consolidation of international PGT student numbers across both Autumn and Spring intakes, in addition to increases in research, commercial and enterprise activity. The reported surplus for the year was £17.4m (2021-22: deficit £14.4m).

Underlying operating performance

The financial performance of the University has been affected by the impact of pension accounting. For the purposes of assessing underlying operating performance, we exclude the impact of pension accounting adjustments and other exceptional movements associated with for example capital grant income and new endowments. Taking these into account the University retained an underlying operating surplus of £8.7m in 2022-23 (2021-22: £15.4m). This is a strong result, despite the wider financial challenges facing the sector and economy.

The underlying operating surplus of £8.7m reconciles to the total surplus of £17.4m as follows:

| | 2022-23 £m | 2021-22 £m |
|-------------------------------------|---------------|---------------|
| Surplus/(Deficit) for the year | 17.4 | (14.4) |
| Pension Adjustments | (6.3) | 32.0 |
| City Regional Deal Grant Income | (1.5) | (2.2) |
| New Endowment Income | (0.9) | - |
| Underlying Operating Surplus | 8.7 | 15.4 |

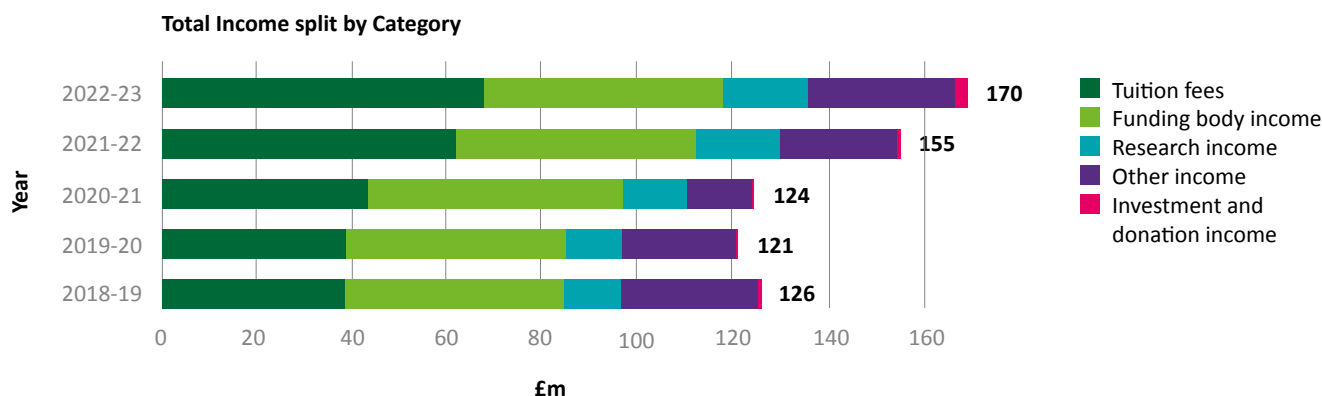
Financial highlights

The key financial ratios of the University are set out below, these have been stated excluding pension movements.

| | 2022-23 | 2021-22 |
|---|---------|---------|
| Performance | | |
| Total income | £169.7m | £155.3m |
| Total expenditure (excluding pension adjustments) | £157.5m | £136.7m |
| Operating cash generation | £9.8m | £25.7m |
| Underlying operating surplus | £8.7m | £15.4m |
| Staff cost ratio | 50.8% | 50.9% |
| Investment | | |
| Capital expenditure | £18.5m | £10.1m |
| Capital grants | £3.3m | £3.4m |
| Liquidity and Debt | | |
| Total debt | £101.9m | £103.0m |
| Total cash and cash deposits | £74.1m | £82.6m |
| Net debt | £27.8m | £20.4m |
| Net liquidity days | 180 | 233 |
| Financial Strength | | |
| Net current assets ratio | 2.05 | 1.75 |
| Net assets | £143.1m | £134.8m |

Income

Total income increased by £14.4m or 9.3% to £169.7m (2021-22: £155.3m)



Funding body grants remained broadly static at £50.4m (2021-22: £50.5m).

Tuition fee income increased by £6.0m or 9.7% to £68.0m (2021-22: £62m). The number of overseas students enrolled in 2023 increased by 23.7% from the prior year, increasing tuition fee income from overseas students by £8.9m. The University secured the largest cohort to date of overseas postgraduates driven by applications from Africa and Asia.

Research income increased by £0.4m to £17.8m (2021-22: £17.4m), reflecting the continued success in expanding the research grant capture in recent years. New awards, a lead indicator of future income, totalled £16.8m, a year-on-year growth of £3.1m.

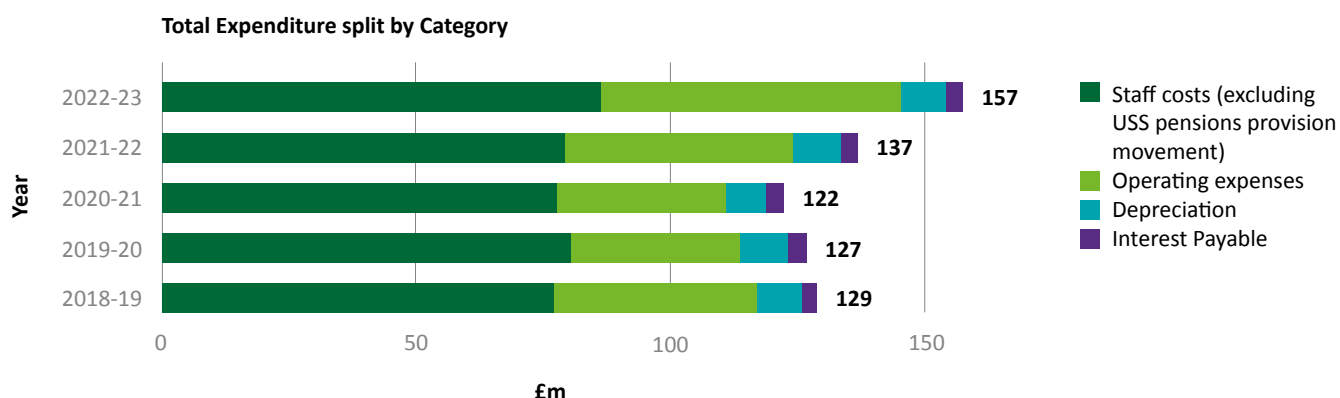
Other income increased by £5.9m or 23.8% to £30.8m (2021-22: £24.9m) due to increased enterprise and commercial activity. Income from residences, catering and conference activity increased reflecting a return to on campus business as usual.

Investment income increased by £1.3m to £1.6m (2021-22: £0.3m). This was driven by Bank of England base rate rises from 1.25% to 5.0% during the period.

Donations and endowments increased by £0.8m to £1.1m (2021-22: £0.3m).

Expenditure

Total Expenditure excluding pension movements increased by £20.8m or 15.2% to £157.5m (2021-22: £136.7m), reflective of the increase in activity and inflationary pressures.



Staff costs before pension adjustments has increased by £7.1m or 8.9% to £86.2m (2021-22: £79.1m) but have remained largely static as a percentage of income at 50.8% (2021-22: 50.9%).

The average staff full time equivalent (FTE) numbers increased by 93 FTE during the year, highlighting the successful recruitment to posts required to meet areas of growth.

The University implemented an advance of the 2023-24 pay award, effective from 1 February 2023 and incorporated enhanced living wage supplements for staff on lower grades.

Other operating expenditure increased by £13.7m or 30.5% to £58.7m. This was due to increased costs supporting student growth, including international agent fees, and increased variable costs in commercial operations. These, along with inflationary increases saw costs across all activities in the University increase during the year.

Depreciation increased £0.1m to £9.4m

Interest payable of £3.2m on the University's fixed interest rate loan portfolio.

Capital Expenditure

The University continues to invest in its digital and physical infrastructure, developing teaching facilities and investing in the student experience, as well as improving university systems.

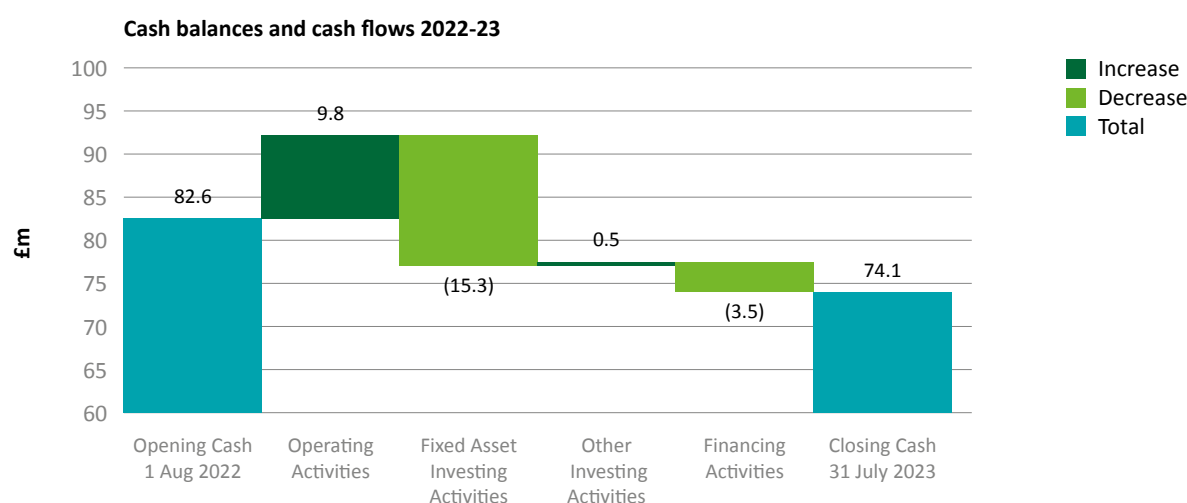
During 2022-23 the University invested £18.5m in total in capital projects (2022: £10.1m).

Liquidity and Debt

Cash and cash deposits

The University retained an operating cash surplus in the year of £9.8m or 5.8% of income, falling by £15.9m from the prior period (2022: £25.7m). The reduction in cash from operations reflects the drivers that contributed to the reduction in the underlying operating surplus of £6.7m and a net increase in debtors and creditors of £8.8m.

After servicing debt and investing in further fixed asset expenditure, the cash and cash equivalent reserves of the university decreased by £8.5m to £74m.



As required by SFC as a condition of borrowing consent, the University has, to date set aside £9.7m of these cash reserves into a private placement repayment fund that is invested with the objective of being able to fund the repayment of the £80m bullet payments over the period 2033 to 2048.

The University has a £10m Revolving Credit Facility with Lloyds Bank to cover working capital requirements. The drawing of the Revolving Credit Facility taken as a contingency at the height of the pandemic was repaid during 2022-23. On 31 July 2023, this remained undrawn and expires in April 2027.

The University actively manages its cash balances in accordance with the Treasury Management Policy approved by Court.

Long term borrowings

Borrowings at the year-end totalled £101.9m and all lending covenants were fully complied with.

In the last four years the University has made several successful applications to the Scottish Funding Council Financial Transactions Programme and been awarded a total of £23.0m of unsecured loans for strategic estates developments. These loans have contributed to the funding of our award-winning Campus Central development and several other ongoing projects key to enhancing the student experience and sustainability of the campus. New loans received during the year totalled £9.3m and the balance outstanding on 31 July 2023 was £22.2m.

Financial strength

The University maintains a strong reserves position with total net assets increasing by £8.3m or 6.2% to £143.1m (2021-22: £134.8m) and sufficient liquidity to deal positively with the uncertainties and opportunities that the future holds.

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 good or services, whichever is later. During 2022-23, the University paid 91.3% of its invoices within 30 days of receipt of a valid invoice (2021-22: 84.6%).

Professional Advisors

Independent Auditor

PricewaterhouseCoopers LLP
144 Morrison Street
Edinburgh
EH3 8EB

Tax Advisor

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Banker

HSBC UK Bank PLC
2-6 Murray Place
Stirling
FK8 2DD

Internal Auditor

Ernst and Young LLP
5 George Square
Glasgow
G2 1DY

Solicitor

Thorntons Law LLP
Whitehall House
33 Yeaman Shore
Dundee
DD1 4BJ



H. Grossart
Chair, Joint Policy Planning and Resources Committee

11 December 2023

9. Accounting Responsibilities of the University Court

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

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

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

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

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

The Court is responsible for keeping adequate and proper accounting records that are sufficient to show and explain the Group and University's transactions and disclose with reasonable accuracy at any time the financial position of the University and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The University Court has taken all reasonable steps to:

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

Accounting Responsibilities of the University Court

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, Deans of academic schools and Executive 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.



10. Independent Auditor’s Report to the Court of the University of Stirling (the “University”)

Report on the audit of the financial statements

Opinion

In our opinion, University of Stirling’s group financial statements and University financial statements (the “financial statements”):

- give a true and fair view of the state of the group’s and of the University’s affairs as at 31 July 2023, and of the group’s and University’s income and expenditure and recognised gains and losses, and of the group’s cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and applicable law);
- have been properly prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Annual Report and Financial Statements (the “Annual Report”), which comprise: the Consolidated and University Statement of Financial Position as at 31 July 2023; the Consolidated and University Statement of Comprehensive Income, the Consolidated and University Statement of Changes in Reserves, and the Consolidated Statement of Cash Flows for the year then ended; the Statement of Accounting Policies; and the notes to the financial statements.

Basis for opinion

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

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors’ report thereon. The Court is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

Annual Report

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

Responsibilities for the financial statements and the audit

Responsibilities of the Court for the financial statements

As explained more fully in the Accounting Responsibilities of the University Court set out on page 24, the Court is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Court is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Use of this report

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

Other required reporting

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

In our opinion, in all material respects:

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

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

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

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

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
Edinburgh

11 December 2023



11. Statement of Accounting Policies

For the year ended 31 July 2023

1. Basis of Preparation

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

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

2. Going Concern

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

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

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

The University Group generated a surplus after tax in 2022-23 of £17.4 million following a deficit after tax of £14.4 million in the previous financial year 2021-22. Stripping out exceptional items, the underlying operating position is a surplus of £8.7 million in 2022-23 with a prior year comparable of £15.4 million surplus.

However, surplus generation alone does not ensure the going concern status of an organisation. The critical factor, that management of the University have used to determine the going concern status of the University, is whether it can generate cash and maintain sufficient working capital balances. In 2022-23 the University's net operating cash inflow was £9.8 million.

In addition, the University has a balance sheet with a non-current asset of £244.5 million, net current assets of £55.7 million including a cash balance of £74.1 million at the Statement of Financial Position date.

The University's forecasts and projections to 2023-24, taking account of future developments and reasonable sensitivities in relation to the key risks, indicate that the University will also deliver an accounting surplus in 2023-24. The forward projections indicate that the University will continue to generate a net cash inflow.

The financial scenario planning and stress testing undertaken by the University indicates that there are large external uncertainties which may need to be addressed in the near future: in particular, the cost-of-living crisis, continued effect of Brexit, and the stability of the Universities Superannuation Scheme.

In the face of the series of large uncertainties, the University has adopted a financially cautious stance. The solvency position is strong, and cash is available, if required, to respond to these uncertainties.

The University has access to a £10 million revolving credit facility, expiring in April 2027, and is forecast to remain compliant with all lender covenants during the period.

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

3. Basis of Consolidation

The consolidated financial statements include the University, its subsidiaries, and jointly controlled entities for the financial year to 31 July 2023. 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.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

Defined Benefit Pension Scheme – Universities Superannuation Scheme (USS)

The institution participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the 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 the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss 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) with related expenses being recognised through the profit and loss account.

Critical Estimates

With Pension Schemes, FRS 102 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 Universities Superannuation Scheme. 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) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

In accordance with the requirements of FRS102, the University currently recognises a provision for its obligation to fund past deficits arising within USS. The recovery plan in the 2020 actuarial valuation required employers to contribute 6.2% of salaries towards repairing the deficit over the period 1 April 2022 to 31 March 2024, at which point the rate will increase to 6.3%. Details of this provision, which has been discounted at a rate of 5.52% as at 31 July 2023 (prior year was 3.31%), are included in Note 19 to the financial statements.

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

| | 2023 | 2022 |
|----------------------------|-------|-------|
| Discount rate | 5.52% | 3.31% |
| Pensionable payroll growth | 5.49% | 2.80% |

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

| Assumption | Change in assumption | Impact on liability |
|----------------------------|----------------------|---------------------|
| Discount rate | Increase by 0.1% | Decrease by £0.76m |
| | Decrease by 0.1% | Increase by £0.78m |
| Pensionable payroll growth | Increase by 0.1% | Increase by £0.44m |
| | Decrease by 0.1% | Decrease by £0.44m |

Defined Benefit Pension Scheme – University of Stirling Pension Scheme (USPS)

The liability for the USPS scheme is shown in Note 30. The most recent formal actuarial valuation was carried out as at 31 July 2021.

The liabilities for these accounting disclosures have been calculated by projecting the results of that valuation to 31 July 2023 by the actuary, XPS Pensions Group. The resulting liabilities have then been adjusted to reflect the different assumptions used. The accounting disclosures are therefore heavily dependent on the results of the 31 July 2021 valuation and this approach is not as accurate as if the actuary had used actual census information as at 31 July 2023, but it is appropriate for the purpose of these disclosures and is in accordance with the provisions of FRS 102.

The results are highly sensitive both to the actuarial assumptions used and to market conditions. The discount rate has been based on a single agency AA yield curve in accordance with FRS102.

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

| | 2023 | 2022 |
|------------------------|--|--|
| Approach | Single agency AA yield curve at a 13-year duration | Single agency AA yield curve at a 17-year duration |
| Relating discount rate | 5.20% | 3.50% |

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

| Assumption | Change in assumption | Impact on liability |
|----------------------------|----------------------|---------------------|
| Discount rate | Increase by 0.1% | Decrease by £0.759m |
| | Decrease by 0.1% | Increase by £0.775m |
| Pensionable payroll growth | Increase by 0.1% | Increase by £0.44m |
| | Decrease by 0.1% | Decrease by £0.44m |

The key actuarial assumptions as of 31 July 2023 are set out in Note 30.

5. Income Recognition

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

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

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

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

Grant Funding

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

Capital Grants

Capital grants are recognised 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.

6. Accounting for Retirement Benefits

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

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

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

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

USPS is a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). This fund is valued every three years by professionally qualified independent actuaries. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The Group should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

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

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



7. Employment Benefits

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

8. Operating Leases

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

9. Foreign Currency

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

10. Fixed Assets

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

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

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

Land and Buildings

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

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

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

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

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

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

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

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

Equipment

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

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

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

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

Borrowing Costs

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

Investment Properties

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

Subsequent to Initial Recognition

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

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

Heritage Assets

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

11. Investments

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

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

12. Stock

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

13. Cash and Cash Equivalents

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

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. Deposit investments are deemed to be cash equivalents if they have a maturity of three months or less from the date of acquisition.

14. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised in the financial statements when:

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

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

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

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

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

15. Accounting for Joint Arrangements

Material entities over which the University has joint control with one or more other entities are classified as joint arrangements. Joint control is the contractually agreed sharing of control of an arrangement. A joint arrangement is either a joint operation or a joint venture. The University has a 50% share of the issued share capital of Stirling University Innovation Park Limited. This is an independent 'investment 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 an independent 'investment vehicle' owned equally by the University and INTO University Partnerships Limited.

With both of these companies being independent 'investment vehicles', they are considered joint ventures and the University accounts for its 50% share in them using the equity method.

16. Taxation

The University is an exempt Charity within the meaning of the Trustee Investment and Charities (Scotland) Act 2005 and, as such, is a charity within the meaning of Section 506 (1) of the Income and Corporation Taxes Act 1988. The University is recognised as a charity by HM Revenue & Customs and is recorded on the index of charities maintained by the Office of Scottish Charity Regulator. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

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

17. Financial Instruments

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

Financial Assets

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

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

Loans and Receivables

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

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

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

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

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

Financial Liabilities

Financial liabilities are recognised on the statement of financial position when the University becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received in a fit and proper state and a legal commitment is then established. 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.





12. Consolidated and University Statement of Comprehensive Income for the year ended 31 July 2023

| | Notes | 2023 | | 2022 | |
|--|-------|-----------------------|---------------------|-----------------------|---------------------|
| | | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Income | | | | | |
| Scottish Funding Council grants | 1 | 50,415 | 50,415 | 50,535 | 50,535 |
| Tuition fees and education contracts | 2 | 67,966 | 67,966 | 61,934 | 61,934 |
| Research grants and contracts | 3 | 17,796 | 17,796 | 17,366 | 17,366 |
| Other income | 4 | 30,802 | 30,802 | 24,875 | 24,875 |
| Investment income | 5 | 1,579 | 1,579 | 267 | 267 |
| Donations and endowments | 6 | 1,142 | 1,142 | 278 | 278 |
| Total income | | 169,700 | 169,700 | 155,255 | 155,255 |
| Expenditure | | | | | |
| Staff costs | 7 | 86,157 | 86,157 | 79,086 | 79,086 |
| Movement on pensions | 7 | (7,807) | (7,807) | 31,996 | 31,996 |
| Other operating expenses | | 58,684 | 58,710 | 45,004 | 45,039 |
| Depreciation | 11 | 9,442 | 9,442 | 9,362 | 9,362 |
| Interest and other finance costs | 8 | 4,710 | 4,710 | 3,205 | 3,205 |
| Total expenditure | 9 | 151,186 | 151,212 | 168,653 | 168,688 |
| Surplus/ (deficit) before other gains losses and share of operating (deficit) of joint ventures | | 18,514 | 18,488 | (13,398) | (13,433) |
| Loss on disposal of fixed assets | 11 | (294) | (294) | - | - |
| Loss on investment property | 12 | (297) | (297) | (100) | (100) |
| Share of operating (deficit) in joint venture | 13 | (318) | - | (514) | - |
| Surplus/(deficit) before tax | | 17,605 | 17,897 | (14,012) | (13,533) |
| Taxation | 10 | (210) | (210) | (357) | (357) |
| Surplus/(deficit) for the year | | 17,395 | 17,687 | (14,369) | (13,890) |
| Actuarial (loss)/gain in respect of pension schemes | 30 | (9,104) | (9,104) | (5,688) | (5,688) |
| Total comprehensive income/(expenditure) for the year | | 8,291 | 8,583 | (20,057) | (19,578) |
| Represented by: | | | | | |
| Endowment comprehensive income for the year | 20 | 832 | 832 | 9 | 9 |
| Restricted comprehensive (expenditure)/income for the year | 21 | (53) | (53) | 38 | 38 |
| Unrestricted comprehensive income/(expenditure) for the year | | 7,512 | 7,804 | (20,104) | (19,625) |
| | | 8,291 | 8,583 | (20,057) | (19,578) |

The notes on pages 51 to 72 form part of the financial statements.

13. Consolidated and University Statement of Change in Reserves for the year ended 31 July 2023

| Consolidated Statement | Income and expenditure account | | Total | |
|--|--------------------------------|---------------------|-----------------------|-----------------|
| | Endowment £'000 | Restricted £'000 | Unrestricted £'000 | £'000 |
| Balance at 1 August 2021 | 1,861 | 2,947 | 150,056 | 154,864 |
| Deficit from the income and expenditure statement | - | - | (14,369) | (14,369) |
| Other comprehensive expense | - | - | (5,688) | (5,688) |
| Release of restricted funds spent in year | 9 | 38 | (47) | 0 |
| Total comprehensive income for the year | 9 | 38 | (20,104) | (20,057) |
| Balance at 31 July 2022 | 1,870 | 2,985 | 129,952 | 134,808 |
| Surplus from the income and expenditure statement | - | - | 17,395 | 17,395 |
| Other comprehensive expense | - | - | (9,104) | (9,104) |
| Release of restricted funds spent in year | 832 | (53) | (778) | - |
| Total comprehensive income and expenditure for the year | 832 | (53) | 7,513 | 8,291 |
| Balance at 31 July 2023 | 2,702 | 2,932 | 137,465 | 143,099 |

| University | Income and expenditure account | | Total | |
|--|--------------------------------|---------------------|-----------------------|-----------------|
| | Endowment £'000 | Restricted £'000 | Unrestricted £'000 | £'000 |
| Balance at 1 August 2021 | 1,861 | 2,947 | 154,262 | 159,070 |
| Deficit from the income and expenditure statement | - | - | (13,890) | (13,890) |
| Other comprehensive expense | - | - | (5,688) | (5,688) |
| Release of restricted funds spent in year | 9 | 38 | (47) | - |
| Total comprehensive income/(expenditure) for the year | 9 | 38 | (19,623) | (19,576) |
| Balance at 31 July 2022 | 1,870 | 2,985 | 134,639 | 139,494 |
| Surplus from the income and expenditure statement | - | - | 17,687 | 17,687 |
| Other comprehensive expense | - | - | (9,104) | (9,104) |
| Release of restricted funds spent in year | 832 | (53) | (778) | - |
| Total comprehensive income/(expenditure) for the year | 832 | (53) | 7,804 | 8,583 |
| Balance at 31 July 2023 | 2,702 | 2,932 | 142,443 | 148,077 |

The notes on pages 51 to 72 form part of the financial statements.

14. Consolidated and University Statement of Financial Position as at 31 July 2023

| | Notes | 2023 | | 2022 | |
|---|-------|-----------------------|---------------------|-----------------------|---------------------|
| | | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Non-current assets | | | | | |
| Fixed assets | 11 | 238,272 | 238,272 | 229,524 | 229,524 |
| Trade and other receivables | 15 | 4,375 | 4,375 | 4,390 | 4,390 |
| Investment property | 12 | 1,800 | 1,800 | 1,900 | 1,900 |
| Investment in joint venture | 13 | 95 | - | 82 | - |
| | | 244,542 | 244,447 | 235,896 | 235,814 |
| Current assets | | | | | |
| Stock | 14 | 489 | 407 | 525 | 455 |
| Trade and other receivables | 15 | 31,984 | 31,987 | 20,230 | 22,342 |
| Investments | 16 | 1,991 | 1,991 | 26,192 | 26,192 |
| Cash and cash equivalents | 22 | 74,065 | 73,763 | 57,460 | 57,312 |
| | | 108,529 | 108,148 | 104,407 | 106,301 |
| Less: Creditors: amounts falling due within one year | 17 | (52,783) | (52,486) | (59,548) | (61,526) |
| Net current assets | | 55,746 | 55,662 | 44,859 | 44,775 |
| Total assets less current liabilities | | 300,288 | 300,109 | 280,755 | 280,589 |
| Creditors: amounts falling due after more than one year | 18 | (101,092) | (101,092) | (92,537) | (92,537) |
| Provisions | | | | | |
| USS pension provision | 19 | (48,212) | (48,212) | (54,475) | (54,475) |
| Other provisions | 19 | (1,344) | (1,344) | (912) | (912) |
| Joint venture loss provision | 13 | (5,157) | - | (4,852) | - |
| Pension (liability)/asset | 30 | (1,384) | (1,384) | 6,829 | 6,829 |
| Total net assets | | 143,099 | 148,077 | 134,808 | 139,494 |
| Restricted reserves | | | | | |
| Income and expenditure reserve - endowment reserve | 20 | 2,702 | 2,702 | 1,870 | 1,870 |
| Income and expenditure reserve - restricted reserve | 21 | 2,932 | 2,932 | 2,985 | 2,985 |
| Unrestricted reserves | | | | | |
| Income and expenditure reserve - unrestricted | | 137,465 | 142,443 | 129,953 | 134,639 |
| Total reserves | | 143,099 | 148,077 | 134,808 | 139,494 |

The notes on pages 51 to 72 form part of the financial statements.

The Financial Statements were approved by the University Court on the 11 December 2023 and signed on its behalf by:



G. McCormac
Principal and Vice-Chancellor



H. Grossart
Chair, Joint Policy Planning and
Resources Committee



R. Edwards
Executive Director of Finance

15. Consolidated Statement of Cash Flows for the year ended 31 July 2023

| | Notes | 2023 £'000 | 2022 £'000 |
|---|-------|----------------|-----------------|
| Cashflow from operating activities | | | |
| Surplus/(deficit) for the year | | 17,395 | (14,369) |
| Adjustment for non-cash items | | | |
| Depreciation | 11 | 9,442 | 9,362 |
| Loss on investment property | 12 | 297 | 100 |
| Loss/(gain) on revaluation of equity investments | | 53 | (7) |
| Net change on pensions scheme less contribution | | (891) | (857) |
| Decrease/(increase) in stock | 14 | 35 | (188) |
| Increase in debtors | 15 | (11,754) | (180) |
| Increase in creditors | | 2,918 | 611 |
| (Decrease)/increase in provision for employee benefits | 19 | (6,264) | 31,970 |
| Increase/(decrease) in provisions | 19 | 431 | (839) |
| Share of deficit in joint venture | 13 | 318 | 514 |
| Adjustment for investing or financing activities | | | |
| New endowments received | | (870) | - |
| Exchange losses of translation | | 100 | - |
| Investment income | 5 | (1,579) | (267) |
| Interest payable (inc. effective interest rate adjustment) | | 3,157 | 3,214 |
| Loss on disposal of fixed assets | | 294 | - |
| Regional City Deal grant | | (1,346) | (2,204) |
| Capital income grant | | (1,951) | (1,181) |
| Net cash flows from operating activity | | 9,785 | 25,679 |
| Cash flows from investing activities | | | |
| Insurance receipt | | - | 566 |
| Proceeds from sale of fixed assets | 11 | 8 | - |
| Regional City Deal grant | | 1,346 | 2,204 |
| Capital grants receipts | 1 | 1,951 | 1,181 |
| Investment income | 5 | 1,579 | 267 |
| Investment property additions | 12 | (197) | - |
| Payments made to acquire fixed assets | | (18,614) | (10,282) |
| Decrease/(increase) in non current investments | 16 | 24,201 | (25,075) |
| Decrease/(increase) in loans to joint ventures | 15 | 15 | (200) |
| | | 10,289 | (31,339) |
| Cash flows from financing activities | | | |
| New endowment cash received | | 870 | - |
| Interest paid | 8 | (3,157) | (3,213) |
| Receipt of unsecured loans | 18 | 9,330 | - |
| Repayment of loans | 18 | (10,512) | (10,389) |
| | | (3,469) | (13,602) |
| Increase/(decrease) in cash and cash equivalents in the year | | 16,605 | (19,262) |
| Opening cash balance | 22 | 57,460 | 76,722 |
| Movement | 22 | 16,605 | (19,262) |
| Closing cash balance | 22 | 74,065 | 57,460 |

The notes on pages 51 to 72 form part of the financial statements.



16. Notes to the Financial Statements

| | 2023 | | 2022 | |
|--|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| 1 Scottish Funding Council grants | | | | |
| General Fund - Teaching | 37,452 | 37,452 | 36,743 | 36,743 |
| General Fund - Research and Knowledge Exchange | 9,212 | 9,212 | 10,491 | 10,491 |
| Strategic Funding | 1,800 | 1,800 | 2,119 | 2,119 |
| Capital Maintenance Grant | 1,951 | 1,951 | 1,182 | 1,182 |
| Total | 50,415 | 50,415 | 50,535 | 50,535 |
| 2 Tuition fees and education contracts | | | | |
| Home | 16,581 | 16,581 | 17,913 | 17,913 |
| EU | 1,858 | 1,858 | 4,660 | 4,660 |
| Rest of UK | 8,254 | 8,254 | 7,851 | 7,851 |
| Non EU Fees | 39,870 | 39,870 | 30,991 | 30,991 |
| Non Credit Bearing Course Fees | 1,026 | 1,026 | 519 | 519 |
| Other Contracts | 377 | 377 | - | - |
| Total | 67,966 | 67,966 | 61,934 | 61,934 |
| 3 Research grants and contracts | | | | |
| Research councils | 8,086 | 8,086 | 8,033 | 8,033 |
| Research charities | 1,715 | 1,715 | 1,953 | 1,953 |
| Government (UK and overseas) | 4,915 | 4,915 | 4,186 | 4,186 |
| Industry and commerce | 793 | 793 | 773 | 773 |
| European Commission | 1,070 | 1,070 | 972 | 972 |
| Other Overseas | 437 | 437 | 415 | 415 |
| City Region Deal | 595 | 595 | 815 | 815 |
| Other | 185 | 185 | 219 | 219 |
| Total | 17,796 | 17,796 | 17,366 | 17,366 |
| 4 Other income | | | | |
| Consultancy and other services rendered | 2,079 | 2,079 | 1,383 | 1,383 |
| Commercial Services | 6,490 | 6,490 | 4,702 | 4,702 |
| Accommodation Services | 12,889 | 12,889 | 11,351 | 11,351 |
| Sport Development Services | 2,407 | 2,407 | 2,092 | 2,092 |
| Other income | 6,023 | 6,023 | 3,936 | 3,936 |
| City Region Deal | 914 | 914 | 1,390 | 1,390 |
| CJRS Grant Income | - | - | 21 | 21 |
| Total | 30,802 | 30,802 | 24,875 | 24,875 |

16. Notes to the Financial Statements (continued)

5 Investment income

| | 2023 | | 2022 | |
|---------------------------------|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Investment income on endowments | 11 | 11 | 17 | 17 |
| Other investment income | 1,568 | 1,568 | 249 | 249 |
| Total | 1,579 | 1,579 | 266 | 266 |

6 Donations and endowments

| | | | | |
|---------------------------------|--------------|--------------|------------|------------|
| New endowments | 870 | 870 | - | - |
| Donations with restrictions | 200 | 200 | 166 | 166 |
| Donations with restrictions PRC | 6 | 6 | 7 | 7 |
| Unrestricted donations | 66 | 66 | 106 | 106 |
| Total | 1,142 | 1,142 | 279 | 279 |

7 Staff costs

| | | | | |
|--|---------------|---------------|----------------|----------------|
| Salaries | 66,073 | 66,073 | 61,132 | 61,132 |
| Social security costs | 6,510 | 6,510 | 5,832 | 5,832 |
| Apprenticeship Levy | 315 | 315 | 281 | 281 |
| Other pension costs | 13,259 | 13,259 | 11,841 | 11,841 |
| Staff Cost before Pension movements | 86,157 | 86,157 | 79,086 | 79,086 |
| Movement on USS provision | (8,066) | (8,066) | 31,775 | 31,775 |
| USPS Expenses | 259 | 259 | 221 | 221 |
| Total | 78,350 | 78,350 | 111,082 | 111,082 |

| | 2023 Number | 2022 Number | 2023 £'000 | 2022 £'000 |
|---|----------------|----------------|---------------|---------------|
| Staff numbers by major category: | | | | |
| Academic Schools | 691 | 657 | 44,253 | 40,975 |
| Academic Services | 92 | 87 | 6,997 | 6,392 |
| Administration and Central Services | 286 | 258 | 14,800 | 12,961 |
| Premises | 129 | 122 | 3,501 | 2,878 |
| Research Grants and Contracts | 166 | 168 | 9,083 | 8,984 |
| Catering and residence | 88 | 85 | 5,093 | 4,828 |
| Other | 116 | 98 | 2,430 | 2,068 |
| Total | 1,568 | 1,475 | 86,157 | 79,086 |

16. Notes to the Financial Statements (continued)

7 Staff costs (continued)

| Pay Multiples | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Emoluments of the Vice-Chancellor: | | |
| Salary | 363 | 295 |
| Benefits | 10 | 9 |
| Pension contributions to USS | 23 | 16 |
| Total | 396 | 320 |

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 31/07/2023 on an annualised basis and relates to basic pay including contractual allowances, statutory holiday pay and including employer pension contributions.

| | 2023 | 2022 |
|---|----------------|---------|
| Median total remuneration of all staff | £46,155 | £41,714 |
| Remuneration Ration | 7.95 | 7.08 |

| Remuneration of Other Higher Paid Staff, Excluding Employer's Pension Contributions | 2023 Number | 2022 Number |
|--|----------------|----------------|
| £100,000 to £109,999 | 6 | 12 |
| £110,000 to £119,999 | 8 | 5 |
| £120,000 to £129,999 | 7 | 4 |
| £130,000 to £139,999 | 3 | 3 |
| £140,000 to £149,999 | 3 | 1 |
| £150,000 to £159,999 | 1 | 2 |
| £160,000 to £169,999 | - | 1 |
| £170,000 to £179,999 | - | - |
| £180,000 to £189,999 | 1 | 1 |
| £190,000 to £199,000 | 1 | - |
| £200,000 to £210,000 | 2 | 1 |
| Total | 32 | 30 |

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

16. Notes to the Financial Statements (continued)

7 Staff costs (continued)

Key Management Personnel Compensation

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

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

| Key Management Personnel Compensation | 2023 £'000 | 2022 £'000 |
|---------------------------------------|---------------|---------------|
| Salaries Pensions & Other Emoluments | 1,976 | 1,779 |

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 arm's length and in accordance with the University's Financial Regulations and usual procurement procedures.

| Organisation | Individual Board Member | Relationship | Capacity at University of Stirling |
|--|--|--|------------------------------------|
| University of Stirling Students' Union | Natasha Miller Ali Leen Jess Reid Zoe Crosher | President President Vice President Vice President | Student committee members |

| | 2023 | | | | 2022 | | | |
|--------------|-----------------|----------------------|-----------------|-------------------|-----------------|----------------------|-----------------|-------------------|
| | Income £'000 | Expenditure £'000 | Debtor £'000 | Creditor £'000 | Income £'000 | Expenditure £'000 | Debtor £'000 | Creditor £'000 |
| | 5 | 752 | - | - | 2 | 695 | - | 1 |
| Total | 5 | 752 | - | - | 2 | 695 | - | 1 |

The chair of court received remuneration of £22,000 in 2022-23.

The only other expenses paid to court members in 2022-23 or 2021-22 were those paid to reimburse members for out-of-pocket expenses.

16. Notes to the Financial Statements (continued)

8 Interest and other finance costs

| | 2023 | | 2022 | |
|------------------------------------|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Loan interest | 3,157 | 3,157 | 3,214 | 3,214 |
| Unwinding of USS pension provision | 1,803 | 1,803 | 196 | 196 |
| Net charge on pension scheme | (250) | (250) | (204) | (204) |
| Total | 4,710 | 4,710 | 3,206 | 3,206 |

9 Analysis of total expenditure by activity

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Academic departments | 49,475 | 49,475 | 45,792 | 45,792 |
| Academic services | 13,577 | 13,577 | 11,892 | 11,892 |
| Administration and Central services | 33,666 | 33,666 | 27,607 | 27,607 |
| Premises | 10,444 | 10,444 | 6,943 | 6,943 |
| Research grants and contracts | 17,189 | 17,189 | 16,631 | 16,631 |
| Consultancy and other services rendered | 3,071 | 3,071 | 2,235 | 2,235 |
| Commercial services | 6,648 | 6,648 | 4,869 | 4,904 |
| Accommodation services | 12,071 | 12,071 | 11,401 | 11,401 |
| Sports development services | 3,295 | 3,295 | 2,744 | 2,744 |
| Early retirement and severance | 120 | 120 | 187 | 187 |
| Pensions (USS and USPS) | (7,808) | (7,808) | 31,996 | 31,996 |
| Other expenses | 9,438 | 9,464 | 6,356 | 6,356 |
| Total | 151,186 | 151,212 | 168,653 | 168,688 |

Other operating expenses include:

| | | | | |
|---|-----|-----|-----|-----|
| External auditors remuneration in respect of audit services | 175 | 175 | 196 | 196 |
| External auditors remuneration in respect of non-audit services | 9 | 9 | 9 | 9 |
| Internal auditors remuneration | 91 | 91 | 91 | 91 |
| USPS contributions | 900 | 900 | 874 | 874 |
| Operating lease rentals: | | | | |
| Land and buildings | 975 | 975 | 881 | 881 |

10 Taxation

| | | | | |
|--------------------|------------|------------|------------|------------|
| Recognised in SOCI | 210 | 210 | 357 | 357 |
| Total | 210 | 210 | 357 | 357 |

The tax expenses incurred in 2022-23 relates to corporate income tax associated with international partnerships operating in Singapore and China.

16. Notes to the Financial Statements (continued)

11 Fixed Assets

| | Freehold Land and Buildings £'000 | Leasehold Land and Buildings £'000 | Fixtures, Fittings and Equipment £'000 | Assets in the Course of Construction £'000 | Total £'000 |
|--------------------------|--------------------------------------|---------------------------------------|---|---|----------------|
| Cost or valuation | | | | | |
| At 1 August 2022 | 272,267 | 446 | 30,228 | 6,459 | 309,400 |
| Additions | 4,656 | - | 4,788 | 9,049 | 18,492 |
| Transfers | 654 | - | 933 | (1,587) | - |
| Disposals | (138) | - | (837) | - | (975) |
| At 31 July 2023 | 277,439 | 446 | 35,112 | 13,921 | 326,917 |

Accumulated Depreciation

| | | | | | |
|------------------------|-----------------|--------------|-----------------|---|-----------------|
| At 1 August 2022 | (56,294) | (116) | (23,466) | - | (79,876) |
| Charge for the year | (7,615) | (11) | (1,816) | - | (9,442) |
| Disposals | - | - | 672 | - | 672 |
| At 31 July 2023 | (63,909) | (127) | (24,610) | - | (88,646) |

Net book value

| | | | | | |
|------------------------|----------------|------------|--------------|--------------|----------------|
| At 31 July 2023 | 213,530 | 319 | 10,502 | 13,921 | 238,272 |
| At 31 July 2022 | 213,975 | 330 | 6,761 | 6,459 | 229,524 |

Freehold Land and Buildings

Freehold Land and Buildings contains £9.82m of freehold land (2021/22: £9.82m) which is not depreciated.

Heritage Assets

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

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

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

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

The University Art Collection operates under a Code of Ethics set down by the Museum Association <http://www.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.

16. Notes to the Financial Statements (continued)

12 Investment Property

| | 2023 | | 2022 | |
|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Balance at 1 August | 1,900 | 1,900 | 2,000 | 2,000 |
| Additions | 197 | 197 | - | - |
| Loss on revaluation | (297) | (297) | (100) | (100) |
| Total | 1,800 | 1,800 | 1,900 | 1,900 |

The University purchased Scion House in March 2018. The purpose of the building is to earn rental yields. A revaluation of the property was undertaken at the statement of financial position date of 31 July 2023 by the external valuer, JLL LLP, a regulated firm of Chartered Surveyors. The change in the fair value of the asset was recognised in the statement of comprehensive income.

13 Investment in Joint Ventures

Stirling University Innovation Park Ltd (SUIP)

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

| | 2023 | | 2022 | |
|---|-------|--------------|-------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| Income and expenditure account | | | | |
| Income | | 263 | | 249 |
| (Deficit) before tax | | (13) | | (42) |
| Balance sheet | | | | |
| Fixed assets | 178 | | 195 | |
| Current assets | 110 | | 91 | |
| | | <u>288</u> | | <u>286</u> |
| Creditors: amounts due within one year | (185) | | (195) | |
| Creditors: amounts due after more than one year | (8) | | (9) | |
| | | <u>(193)</u> | | <u>(204)</u> |
| Share of net assets | | <u>95</u> | | <u>82</u> |

16. Notes to the Financial Statements (continued)

13 Investment in Joint Ventures (continued)

INTO University of Stirling LLP (INTO)

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

| | 2023 | | 2022 | |
|---|---------|----------------|---------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Income and expenditure account | | | | |
| Income | | 2,267 | | 1,737 |
| (Deficit) before tax | | (305) | | (482) |
| Balance sheet | | | | |
| Fixed assets | 404 | | 330 | |
| Current assets | 1,061 | | 909 | |
| | | 1,465 | | 1,239 |
| Creditors: amounts due within one year | (2,322) | | (3,691) | |
| Creditors: amounts due after more than one year | (4,300) | | (2,400) | |
| | | (6,622) | | (6,091) |
| Share of net liabilities | | (5,157) | | (4,852) |

14 Stock

| | 2023 | | 2022 | |
|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| General Consumables | 489 | 407 | 525 | 455 |
| Total | 489 | 407 | 525 | 455 |

15 Trade and other receivables

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Amounts falling due within one year: | | | | |
| Research grants receivables | 1,513 | 1,513 | 1,101 | 1,101 |
| Non-research trade receivables | 23,715 | 23,718 | 14,646 | 16,758 |
| Prepayments and accrued income | 6,756 | 6,756 | 4,483 | 4,483 |
| Total | 31,984 | 31,987 | 20,230 | 22,342 |
| Amounts falling due after more than one year: | | | | |
| Other receivables | 4,375 | 4,375 | 4,390 | 4,390 |
| Total | 4,375 | 4,375 | 4,390 | 4,390 |

16. Notes to the Financial Statements (continued)

16 Current Investments

| | 2023 | | 2022 | |
|---------------------------------|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Short term investment in shares | 1,758 | 1,758 | 728 | 728 |
| Short term bonds | 233 | 233 | 357 | 357 |
| Short term deposits | - | - | 25,107 | 25,107 |
| Total | 1,991 | 1,991 | 26,192 | 26,192 |

17 Creditors: amounts falling due within one year

| | | | | |
|--|---------------|---------------|---------------|---------------|
| Unsecured loans | 827 | 827 | 10,499 | 10,499 |
| Trade payables | 12,425 | 12,128 | 12,402 | 14,380 |
| Social security and other taxation payable | 4,288 | 4,288 | 5,141 | 5,141 |
| Accruals and deferred income | 35,243 | 35,243 | 31,506 | 31,506 |
| Total | 52,783 | 52,486 | 59,548 | 61,526 |

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.

| | | | | |
|-------------------------------------|---------------|---------------|---------------|---------------|
| Research grants received on account | 7,309 | 7,309 | 6,685 | 6,685 |
| Non-research deferred income | 17,771 | 17,771 | 14,814 | 14,814 |
| Total | 25,080 | 25,080 | 21,499 | 21,499 |

18 Creditors: amounts falling due after more than one year

| | | | | |
|-----------------|----------------|----------------|---------------|---------------|
| Unsecured loans | 101,092 | 101,092 | 92,537 | 92,537 |
| Total | 101,092 | 101,092 | 92,537 | 92,537 |

Analysis of unsecured loans:

| | | | | |
|--|----------------|----------------|----------------|----------------|
| Due within one year (Note 17) | 827 | 827 | 10,499 | 10,499 |
| Due between one and two years | 1,269 | 1,269 | 827 | 827 |
| Due between two and five years | 3,826 | 3,826 | 2,369 | 2,369 |
| Due in five years or more | 95,996 | 95,996 | 89,341 | 89,341 |
| Total secured and unsecured loans | 101,918 | 101,918 | 103,036 | 103,036 |

16. Notes to the Financial Statements (continued)

18 Creditors: amounts falling due after more than one year (continued)

| | Amount £'000 | Term | Interest rate | Borrower |
|--|-----------------|------|-----------------------|------------|
| Lender | | | | |
| Lloyds TSB - Revolving Credit Facility | - | 2027 | 0.19% above base rate | University |
| Salix | 89 | 2025 | 0% | University |
| Scottish Funding Council | 9,330 | 2043 | Fixed at 1% | University |
| Scottish Funding Council | 6,890 | 2039 | Fixed at 0.25% | University |
| Scottish Funding Council | 5,960 | 2041 | Fixed at 0.25% | University |
| Private Placement | 9,958 | 2033 | Fixed at 3.65% | University |
| Private Placement | 19,907 | 2036 | Fixed at 3.77% | University |
| Private Placement | 19,888 | 2048 | Fixed at 3.96% | University |
| Private Placement | 19,932 | 2043 | Fixed at 3.28% | University |
| Private Placement | 9,964 | 2048 | Fixed at 3.32% | University |
| Total | 101,918 | | | |

19 Provisions for Liabilities

| | Obligation to fund deficit on USS Pension Scheme £'000 | Other Provisions £'000 | Total £'000 |
|------------------------------------|--|---------------------------|----------------|
| Consolidated and University | | | |
| At 1 August 2022 | 54,475 | 912 | 55,387 |
| Change in expected contributions | (4,260) | - | (4,260) |
| Unwinding of discount factor | 1,803 | - | 1,803 |
| Deficit contributions paid | (3,806) | - | (3,806) |
| Utilised in year | - | (541) | (541) |
| Additions in 2022-23 | - | 988 | 988 |
| Unused amounts reversed in 2022-23 | - | (15) | (15) |
| At 31 July 2023 | 48,212 | 1,344 | 49,556 |

University Superannuation Scheme Pension Deficit (USS Pension)

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

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

16. Notes to the Financial Statements (continued)

20 Endowment Reserves

| Consolidated and University | Restricted permanent endowments £'000 | Expendable endowments £'000 | 2023 Total £'000 | 2022 Total £'000 |
|--|--|--------------------------------|------------------------|------------------------|
| Restricted net assets relating to endowments are as follows: | | | | |
| Capital | 203 | 1,285 | 1,488 | 1,488 |
| Accumulated income | 141 | 241 | 382 | 373 |
| Balances at 1 August 2022 | 344 | 1,526 | 1,870 | 1,861 |
| New donations/transfer in to fund | 870 | - | 870 | - |
| Investment income | 6 | - | 6 | 12 |
| Expenditure | (12) | (32) | (44) | (3) |
| Total endowment comprehensive income for the year | 864 | (32) | 832 | 9 |
| At 31 July 2023 | 1,208 | 1,494 | 2,702 | 1,870 |
| Represented by: | | | | |
| Capital | 203 | 1,285 | 1,488 | 1,488 |
| Accumulated income | 1,005 | 209 | 1,214 | 382 |
| | 1,208 | 1,494 | 2,702 | 1,870 |
| Analysis by asset | | | | |
| Current and non-current asset investments | 990 | - | 990 | 120 |
| Cash & cash equivalents | 218 | 1,494 | 1,712 | 1,750 |
| | 1,208 | 1,494 | 2,702 | 1,870 |

21 Restricted Reserves

| Consolidated and University | Research Investment Funds | Departmental Discretionary Funds | Donations | 2023 Total £'000 | 2022 Total £'000 |
|--|---------------------------|----------------------------------|--------------|------------------------|------------------------|
| Reserves with restrictions are as follows: | | | | | |
| Balances at 1 August 2022 | 90 | 298 | 2,597 | 2,985 | 2,947 |
| New donations/transfer in to fund | - | 20 | 130 | 150 | 173 |
| Expenditure | - | 1 | (204) | (203) | (135) |
| Total restricted comprehensive (expenditure)/ income for the year | - | 21 | (74) | (53) | 38 |
| At 31 July 2023 | 90 | 319 | 2,523 | 2,932 | 2,985 |

All restricted donations are general in purpose.

16. Notes to the Financial Statements (continued)

22 Cash and Cash Equivalents

| | At 31 July 2023 £'000 | Cash Flows £'000 | At 1 August 2022 £'000 |
|---------------------------|--------------------------|---------------------|---------------------------|
| Consolidated | | | |
| Cash and cash equivalents | 74,065 | 16,605 | 57,460 |
| | 74,065 | 16,605 | 57,460 |

23 Financial Instruments

Consolidated and University

Carrying amount of financial instruments

The carrying amount of the financial assets and liabilities include:

| | 2023 | | 2022 | |
|---|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Financial Assets | | | | |
| Measured at fair value through Income and Expenditure | 990 | 990 | 120 | 120 |
| Assets measured at cost less impairment | 106,751 | 106,751 | 105,726 | 105,726 |
| | 107,741 | 107,741 | 105,846 | 105,846 |
| Financial Liabilities | | | | |
| Liabilities measured at amortised cost | (51,053) | (51,659) | (51,053) | (51,027) |
| Loan commitments measured at amortised cost | (101,918) | (101,918) | (103,036) | (103,035) |
| | (152,971) | (153,577) | (154,089) | (154,062) |

Risk Management

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

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

Credit Risk

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

The University's credit risk arises from bank balances, investments, student debtors and commercial organisations as customers. Management of credit risk is a prime objective of the Treasury Management policy. At 31 July 2023, the maximum exposure is represented by the carrying value of each financial asset in the statement of financial position.

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

16. Notes to the Financial Statements (continued)

23 Financial Instruments (continued)

Liquidity Risk

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

Foreign Currency Risk

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

Interest Rate Risk

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

The University has loans totalling £101 million. The interest rates attached to the private placements and Scottish Funding Council loans are fixed over the term of each loan.

24 Capital Commitments

Provision has not been made for the following capital commitments at 31 July 2023:

| | 31 July 2023 | | 31 July 2022 | |
|----------------------------|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Commitments contracted for | 5,514 | 5,514 | 7,744 | 7,744 |
| Total | 5,514 | 5,514 | 7,744 | 7,744 |

The University has entered contractual commitments for various projects including IT infrastructure and systems (£1 million), Estates and Campus infrastructure (£2.6 million), Learning and Teaching rooms (£1.3 million), Equipment (£0.3 million), and Aquaculture research facilities (0.3 million).

25 Contingent Liabilities

There were no contingent liabilities as at 31 July 2023.

16. Notes to the Financial Statements (continued)

26 Lease Obligations

Total rentals receivable under operating leases as lessor:

| | 2023 | 2022 |
|--|-----------------------------|-----------------------------|
| | Land and Buildings £'000 | Land and Buildings £'000 |
| Receivable during the year | 782 | 742 |
| Future minimum lease payments receivable by University: | | |
| Within 1 year | 449 | 470 |
| Between 2 and 5 years | 1,283 | 1,247 |
| Later than 5 years | 5,170 | 5,303 |
| Total lease payments receivable | 6,902 | 7,020 |
| Total rentals payable under operating leases as lessee: | | |
| Payable during the year | 975 | 881 |
| Future minimum lease payments due from University: | | |
| Within 1 year | 975 | 881 |
| Between 2 and 5 years | 1,727 | 1,727 |
| Later than 5 years | 1,296 | 1,727 |
| Total lease payments due | 3,998 | 4,335 |

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.

| | 2023 | | | | 2022 | | | |
|---|-----------------|----------------------|-----------------|-------------------|-----------------|----------------------|-----------------|-------------------|
| | Income £'000 | Expenditure £'000 | Debtor £'000 | Creditor £'000 | Income £'000 | Expenditure £'000 | Debtor £'000 | Creditor £'000 |
| Pension Providers | | | | | | | | |
| University of Stirling Pension Scheme (USPS) | - | 900 | - | - | - | 874 | - | - |
| University Companies/ Collaborations | | | | | | | | |
| Stirling University Innovation Park | 370 | 150 | 339 | 146 | 566 | 243 | 265 | 53 |
| Total | 370 | 1,050 | 339 | 146 | 556 | 1,117 | 265 | 53 |

16. Notes to the Financial Statements (continued)

28 Subsidiary Undertakings

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

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

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

The University owns 100% of the issued share capital of ordinary shares in Machrihanish Marine Farm Limited, Stirling Salmon Limited, Stirling Aquaculture Ltd, Stirling University Residential Accommodation Limited (SURA), and SURE Shelf Limited. These companies have filed dormant accounts for financial year 2022-23. As dormant companies, they still require to be consolidated within the Group accounts. The registered offices of these companies are Finance Office, University of Stirling, Stirling, Scotland, FK9 4LA.

29 HE Support Funds

HE support funding from Scottish Government for student hardship.

| | 2023 | | | | | | | 2022 |
|---|--------------------|---|--|---------------------------------|---|---------------------------------------|----------------|----------------|
| | Childcare £'000 | Higher Education Undergraduate £'000 | Higher Education Postgraduate £'000 | Nursing & Midwifery £'000 | International Student Fund £'000 | Higher Education Other £'000 | Total £'000 | Total £'000 |
| Allocation received in year | (220) | (317) | (74) | (35) | (37) | - | (683) | (1,608) |
| Expenditure | 173 | 393 | 75 | 35 | 7 | 1 | 684 | 1,353 |
| Bank Interest | (4) | (2) | (1) | - | (1) | (3) | (11) | (2) |
| Virements between funds | 51 | (82) | - | - | 31 | 2 | 2 | (1) |
| Previous Year loans repaid in academic year | - | - | - | - | - | - | - | 2 |
| Funds to be returned to SAAS | - | (8) | - | - | - | - | (8) | (256) |

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.

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| USS: Contributions paid | 13,259 | 12,073 |
| USPS: Contributions paid | 900 | 874 |
| Total Pensions Costs Note 7 and 9 | 14,159 | 12,947 |

16. Notes to the Financial Statements (continued)

30 Pension Schemes (continued)

University Superannuation Scheme

The total credited to the Statement of Comprehensive Income and Expenditure (SOCIE) is £7.0 million (2021-22: £43.8 million charge) as shown in notes 7 and 8.

Deficit recovery contributions due within one year (2022-23) for the institution are £4.102 million [6.23%] (prior year (2021-22) was £3.806 million [6.20%]).

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

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

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

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

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

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

| | 2020 Valuation |
|----------------------------------|--|
| Mortality base table | 101% of S2PMA "light" for males and 95% of S3PFA for females. |
| Future improvements to mortality | CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% p.a. for males and 1.6% for females. |

16. Notes to the Financial Statements (continued)

30 Pension Schemes (continued)

| | 2023 | 2022 |
|--|------|------|
| The current life expectancies on retirement at age 65 are: | | |
| Males currently aged 65 (years) | 24.0 | 23.9 |
| Females currently aged 65 (years) | 25.6 | 25.5 |
| Males currently aged 45 (years) | 26.0 | 25.9 |
| Females currently aged 45 (years) | 27.4 | 27.3 |

A deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

| | 2023 | 2022 |
|---------------------------|-------|-------|
| Discount rate | 5.52% | 3.31% |
| Pensionable salary growth | 5.49% | 3.33% |

University of Stirling Pension Scheme

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

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

A formal actuarial funding valuation was carried out as at 31 July 2021. The University continues to make contributions to the Scheme; in 2022-23 this contribution was £900,000. These contributions are payable for a period of seven years and four months from 1 August 2021 and will increase each year on 1 August at 3% per annum. The first increase applied on 1 August 2022.

The results of the 31 July 2021 valuation have been projected to 31 July 2023 with allowance for cash flows over the period and using the assumptions set out below. The figures in the following disclosure were measured using the Projected Unit Method.

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

| | 2023 £'000 | 2022 £'000 |
|--|----------------|---------------|
| Defined benefit obligation | (57,767) | (70,141) |
| Fair value of plan assets | 56,383 | 76,970 |
| Net defined benefit (liability)/ asset | (1,384) | 6,829 |
| Net amount recognised at year end | (1,384) | 6,829 |

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.

16. Notes to the Financial Statements (continued)

30 Pension Schemes (continued)

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Service cost: | | |
| Current service cost (net of employee contributions) | - | - |
| Administration expenses | 259 | 221 |
| Loss on plan introductions, changes, curtailments, and settlements | - | - |
| Net interest credit | (250) | (204) |
| Charge recognised in profit or loss | 9 | 17 |
| Remeasurements of the net liability: | | |
| Return on scheme assets (excluding amount included in net interest expense) | 21,121 | 23,662 |
| Actuarial gains | (12,017) | (17,974) |
| Charge recorded in other comprehensive income | 9,104 | 5,688 |
| Total defined benefit cost | 9,113 | 5,705 |

The principal actuarial assumption used:

| | 2023 | 2022 |
|--|-------|-------|
| Liability discount rate | 5.20% | 3.50% |
| Inflation assumption – RPI (pre-2030) | 3.30% | 3.20% |
| Inflation assumption – RPI (post-2030) | 3.10% | 3.00% |
| Inflation assumption – CPI (pre-2030) | 2.40% | 2.30% |
| Inflation assumption – CPI (post-2030) | 3.00% | 2.90% |
| Rate of increase in salaries (pre-2030) | 2.40% | 2.30% |
| Rate of increase in salaries (post-2030) | 3.00% | 2.90% |

Revaluation of deferred pensions:

| | 2023 | 2022 |
|--|-------|-------|
| - in line with CPI inflation capped at 5% p.a. (pre-2030) | 2.40% | 2.30% |
| - in line with CPI inflation capped at 5% p.a. (post-2030) | 3.00% | 2.90% |
| - in line with CPI inflation capped at 2.5% p.a. (pre-2030) | 2.40% | 2.30% |
| - in line with CPI inflation capped at 2.5% p.a. (post-2030) | 2.50% | 2.50% |

Increases for pensions in payment:

| | 2023 | 2022 |
|--|-------|-------|
| - in line with CPI inflation capped at 3% p.a. (pre-2030) | 2.10% | 2.00% |
| - in line with CPI inflation capped at 3% p.a. (post-2030) | 2.40% | 2.40% |
| - in line with RPI inflation capped at 2.5% p.a. (pre-2030) | 2.20% | 2.20% |
| - in line with RPI inflation capped at 2.5% p.a. (post-2030) | 2.20% | 2.10% |
| - in line with RPI inflation capped at 5% p.a. (pre-2030) | 3.20% | 3.10% |
| - in line with RPI inflation capped at 5% p.a. (post-2030) | 3.00% | 2.90% |

16. Notes to the Financial Statements (continued)

30 Pension Schemes (continued)

Expected age at death of current pensioner at age 65:

| | 2023 | 2022 |
|-----------------------------|------|------|
| Male aged 65 at year end: | 85.1 | 85.1 |
| Female aged 65 at year end: | 88.3 | 88.2 |

Expected age at death of future pensioner at age 65:

| | 2023 | 2022 |
|-----------------------------|------|------|
| Male aged 45 at year end: | 86.4 | 86.3 |
| Female aged 45 at year end: | 89.7 | 89.7 |

Reconciliation of scheme assets and liabilities:

| | Assets £'000 | Liabilities £'000 | Total £'000 |
|--|-----------------|----------------------|----------------|
| At start of period | 76,970 | (70,141) | 6,829 |
| Benefits paid | (2,764) | 2,764 | - |
| Administration expenses | (259) | - | (259) |
| Current Service Cost | - | - | - |
| Contributions from the employer | 900 | - | 900 |
| Interest income/(expense) | 2,657 | (2,407) | 250 |
| Return on assets (excluding amount included in net interest expense) | (21,121) | - | (21,121) |
| Actuarial gains | - | 12,017 | 12,017 |
| At end of period | 56,383 | (57,767) | (1,384) |

The return on plan assets:

| | 2023 £'000 | 2022 £'000 |
|---|-----------------|-----------------|
| Interest income | 2,657 | 1,694 |
| Return on plan assets (excluding amount included in net interest expense) | (21,121) | (23,662) |
| Total return on plan assets | (18,464) | (21,968) |

The major categories of scheme assets are as follows:

| | 2023 £'000 | 2022 £'000 |
|-------------------------------------|---------------|---------------|
| Return seeking | 14,526 | 27,903 |
| Bonds/LDI | 15,063 | 16,262 |
| Corporates | 8,944 | 12,769 |
| Insured Annuities | 648 | 830 |
| Index Linked | 5,409 | 3,162 |
| Property | 7,482 | 9,140 |
| Cash | 4,311 | 6,904 |
| Total market value of assets | 56,383 | 76,970 |

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

16. Notes to the Financial Statements (continued)

31 US Department of Education Financial Responsibility Supplemental Schedule

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

The amounts presented within the schedules have been:

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

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

| Primary Reserve Ratio | | | Year ended 31 July 2023 | | Year ended 31 July 2022 | |
|-----------------------|---|--|-------------------------|----------|-------------------------|----------|
| Page | Line item/related disclosures | Expendable Net Assets | £'000 | £'000 | £'000 | £'000 |
| 48 | SOFP - Income and expenditure reserve - unrestricted | Net assets without donor restrictions | | 137,465 | | 129,953 |
| 48 | SOFP - Income and expenditure reserve - endowment & restricted | Net assets with donor restrictions | | 5,634 | | 4,855 |
| 48; 64 | SOFP - NCA - Trade and other receivables + Related Party Debtor | Secured and Unsecured related party receivable | 4,714 | | 4,655 | |
| 48; 64 | SOFP - NCA - Trade and other receivables + Related Party Debtor | Unsecured related party receivable | | 4,714 | | 4,655 |
| 56 | SOFP - Fixed assets - leasehold land and buildings | Property, plant and equipment net (includes Construction in progress) | 237,953 | | 229,195 | |
| 56 | Note 11 - FLB + FFE at 31 July 2019 - Disposals - Impairment | Property, plant and equipment - pre-implementation | | 187,662 | | 187,662 |
| | | Property, Plant and Equipment - post-implementation with outstanding debt for original purchase | | - | | - |
| 56 | Note 11 - | Property, Plant and Equipment - post-implementation without outstanding debt for original purchase | | 36,690 | | 35,404 |
| 56 | Note 11 - Assets in course of construction | Construction in process | | 13,920 | | 6,459 |
| 48; 56 | SOFP - Leasehold land and buildings | Lease right-of-use, net | 319 | | 330 | |
| 48; 56 | SOFP - Leasehold land and buildings | Lease right-of-use asset pre-implementation | | 319 | | 330 |
| | | Lease right-of-use asset post-implementation | | - | | - |
| | | Intangible assets | | - | | - |
| 48 | SOFP - USS Pension Provision + Pension (liability) | Post-employment and pension liabilities | | (49,596) | | (47,646) |

16. Notes to the Financial Statements (continued)

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

| Primary Reserve Ratio | | | Year ended 31 July 2023 | | Year ended 31 July 2022 | |
|-----------------------|---|--|-------------------------|----------|-------------------------|----------|
| Page | Line item/related disclosures | Expendable Net Assets | £'000 | £'000 | £'000 | £'000 |
| 48; 59 | SOFP - 2021 Creditors: amounts falling due after more than one year + Unsecured loans <1 year | Long-term debt - for long term purposes | (102,745) | | (103,036) | |
| 48; 59 | SOFP - 2019 Creditors: amounts falling due after more than one year + Unsecured loans <1 year | Long-term debt - for long term purposes pre implementation | | (86,846) | | (86,846) |
| | | Long-term debt - for long term purposes post implementation | | - | | - |
| 59 | Note 18 - SFC Loans + net of repayments | Long-term debt - for construction in process | | (15,899) | | (16,190) |
| | | Lease right-of-use of asset liability | | - | | - |
| | | Pre-implementation right of use leases | | - | | - |
| | | Post implementation right-of-use leases | | - | | - |
| | | Annuities with donor restrictions | | - | | - |
| 61 | Note 20 - Expendable Endowments | Term endowments with donor restrictions | | 1,494 | | 1,527 |
| | | Life income funds with donor restrictions | | - | | - |
| 48 | SOFP - Income and expenditure reserve - restricted | Net assets with donor restrictions: restricted in perpetuity | | 4,140 | | 3,328 |

| | | | Year ended 31 July 2023 | | Year ended 31 July 2022 | |
|------|--|---|-------------------------|---------|-------------------------|---------|
| Page | Line item/related disclosures | Total Expenses and Losses | £'000 | £'000 | £'000 | £'000 |
| 46 | SOCI - Total expenditure - Movement on pensions - Expenditure on restricted endowments - Expenditure on restricted donations | Total expenses without donor restrictions - taken directly from statement of activities | | 158,804 | | 136,518 |
| 46 | SOCI - Share of operating deficit in joint venture + Investment Income + (Loss) on Investments + USS pension movement + Actuarial losses | Non-operating and Net Investment (loss) | | 25,823 | | 25,627 |
| 46 | SOCI - Investment Income + (Loss)/ Gain on investments | Net investment losses | | (167) | | (167) |
| 46 | SOCI - USS pension movement + Actuarial losses | Pension-related changes other than net periodic costs | | 26,308 | | 26,308 |

16. Notes to the Financial Statements (continued)

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

| Equity Ratio | | | Year ended 31 July 2023 | | Year ended 31 July 2022 | |
|--------------|---|--|-------------------------|----------------|-------------------------|---------|
| Page | Line item/related disclosures | Modified Net Assets | £'000 | £'000 | £'000 | £'000 |
| 48 | SOFP - Income and expenditure reserve - unrestricted | Net assets without donor restrictions | | 137,465 | | 129,953 |
| 48 | SOFP - Income and expenditure reserve - endowment & restricted | Net assets with donor restrictions | | 5,634 | | 4,855 |
| | | Intangible assets | | - | | - |
| 48 | SOFP - NCA - Trade and other receivables + Related Party Debtor | Secured and Unsecured related party receivable | 4,714 | - | 4,655 | - |
| 48 | SOFP - NCA - Trade and other receivables + Related Party Debtor | Unsecured related party receivable | | 4,714 | | 4,655 |

| Equity Ratio | | | Year ended 31 July 2023 | | Year ended 31 July 2022 | |
|--------------|---|--|-------------------------|----------------|-------------------------|--------------|
| Page | Line item/related disclosures | Modified Assets | £'000 | £'000 | £'000 | £'000 |
| 48 | SOFP - Non current assets + current assets | Total assets | | 353,071 | | 340,303 |
| 56 | SOFP - Leasehold land and buildings | Lease right-of-use asset pre-implementation | | 319 | | 330 |
| | | Pre-implementation right-of-use of asset liability | | - | | - |
| | | Intangible assets | | - | | - |
| 48 | SOFP - NCA - Trade and other receivables + Related Party Debtor | Secured and Unsecured related party receivable | 4,714 | | 4,655 | |
| 48 | SOFP - NCA - Trade and other receivables + Related Party Debtor | Unsecured related party receivable | | 4,714 | | 4,655 |

| Net Income Ratio | | | Year ended 31 July 2023 | | Year ended 31 July 2022 | |
|------------------|---|---|-------------------------|----------------|-------------------------|----------|
| Page | Line item/related disclosures | Net Income Ratio | £'000 | £'000 | £'000 | £'000 |
| 48 | SOFP - Movement in unrestricted reserves | Change in Net Assets Without Donor Restrictions | | 7,512 | | (20,104) |
| 46 | SOCI - SFC Grants + Tuition fees + Research grants + Other income + (Donations and endowments - restrictions - restrictions PRC) + gain on disposal of fixed assets | Total Revenues and Gains | | 167,914 | | 154,717 |



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