



University of
Strathclyde
Glasgow



Annual Report and Financial Statements

YEAR ENDED 31 JULY 2023

The place of useful learning



Chancellor

The Rt Hon The Lord Smith of Kelvin KT CH

Principal and Vice-Chancellor

Professor Sir Jim McDonald, Rolls-Royce Chair in Electrical Systems GBE, BSc MSc PhD DSc CEng FEng FRSE FIET FInstP FIE

Convener of Court

Dame Susan Bruce DBE DL MPhil LLB DipCE FRSA FRSE D Univ

Vice-Principal

Professor Scott MacGregor BSc PhD SMIEEE CPhys

University Secretary

Dr Stuart Fancey BSc MSc PhD CPhys FInstP FRSA FAcSS

University Compliance Officer

Louise McKean LLM NP

Chief Financial Officer

Steven Wallace BAcc (Hons) CA (Until 28/4/23)

Acting Chief Financial Officer

Lucy Noble (From 1/5/23)

Chief Commercial Officer

Gillian Docherty OBE BSc

Chief Digital & Information Officer

Beth Lawton MVO BSc (Hons) MBA PGDip

Chief People Officer

Mr Gordon Scott

Associate Principals and Executive Deans

Professor David Hillier BSc (Hons) PhD FRSA, Associate Principal and Executive Dean of the Strathclyde Business School

Professor Ian Rivers BA MA PhD CPsychol FRSE FBPsS FAcSS, Associate Principal and Executive Dean of the Faculty of Humanities and Social Sciences

Professor Duncan Graham BSc(Hons) PhD FRSE FRSC CChem FSAS, Associate Principal and Executive Dean of the Faculty of Science

Professor Stephen McArthur BEng(Hons) PhD CEng FIET FIEEE Associate Principal and Executive Dean of the Faculty of Engineering

Professor Tim Bedford BSc MSc PhD FRSE FSaRS FIMA, Associate Principal (Research and Innovation)

Professor Douglas Brodie LLB PhD, Associate Principal, Social Inclusion

Professor Eleanor Shaw OBE, MA, PhD, FRSA, Associate Principal (Enterprise and Entrepreneurship Education) (Until 31/07/23)

Professor Atilla Incecik BSc PhD CEng FRINA FSNAME, Associate Principal (International Partnerships) (end date 15/12/22)

Contents

Principal's Report	2
Strategic Report	4
Statement of Corporate Governance and Internal Control	32
Statement of Primary Responsibilities of the University Court	42
Independent Auditor's Report to the Court	44
Statement of Comprehensive Income and Expenditure	48
Statement of Changes in Reserves	49
Balance Sheet	50
Statement of Cash Flows	52
Notes to the Financial Statements	54
Court Membership 2022/23	97

Principal's Report

As we prepare to launch our next five-year strategic plan, Strathclyde 2030, we do so with a heightened level of ambition and sense of pride in what we have accomplished over the centuries since our foundation. We now look ahead to 2024, our Diamond Jubilee Anniversary marking 60 years since the award of the Royal Charter which conferred our University status, with confidence in what we can achieve in the future. Staying true to our founding ethos as the 'place of useful learning' we continue to apply our distinctive research and innovation expertise and equip our students with the skills and knowledge to tackle the grand challenges facing our world. I am delighted to share with you our financial statements and set out our progress for 2023.

Our society continues to face critical environmental, social and economic challenges – the most pressing of which is the climate emergency, as global carbon emissions continue to rise. At Strathclyde we recognise the role our interdisciplinary expertise in research, teaching and learning, and policy engagement plays in achieving net zero objectives and meeting carbon emissions targets, both at home and beyond, to deliver a world which is just and equitable for all.

In our own operations we are advancing our sustainability goals at the new National Manufacturing Institute Scotland (NMIS) HQ – which is revolutionising Scotland's industry base – where we constructed our largest solar photo-voltaic array to date and a district heating system that utilises waste heat, making it our first building to be designed as 'carbon neutral'. We also have plans to fully decarbonise the Ross Priory Estate by installing a 6MW solar photo-voltaic array, while our emerging updated Travel Policy will seek to cut emissions by maximising the use of sustainable modes of transport. Strathclyde and Strath Union also achieved Responsible Futures accreditation from Students Organising for Sustainability UK, an acknowledgement of the Strathclyde community's outstanding commitment to embedding sustainability in everything we do. As we move forward, we are developing our updated Sustainability and Social Responsibility Strategy, which will help to drive our ambition and commitment to put sustainability at the heart of our institutional purpose.

As is being experienced across the Higher Education sector, Strathclyde continues to feel the effects of Brexit. The long delay in finalising the UK's application to rejoin the EU's Horizon programme made it harder to collaborate with our European partners. Therefore, we warmly welcomed the announcement in the autumn that the UK had secured Horizon association which will ensure our ongoing participation in European research initiatives. We continue to attract the best academics from Europe and around the world, despite ongoing visa challenges for international staff and their families. Over the last twelve months we have welcomed 773 new staff members and 11 new



Chancellor's Fellows, through the Strathclyde Global Talent Attraction Programme. We have continued to exceed the target set in our strategic plan, Vision 2025, to maintain or exceed an international staff proportion of no lower than 36%.

The challenging economic environment, with inflation reaching a 41-year high in October 2022, has created a cost-of-living crisis for many, including our students and staff members. It has also impacted University operations, and we have focused on mitigations to address the pressure put on our cost base. These allowed us to support our staff with an additional cost of living payment and our students have benefited from increased hardship fund provision, helping them navigate these difficult times. We have grown our recurrent income streams by 10.6% to £409.8 million, with total income reaching £487.4 million. We continue to focus on driving growth in Teaching and Research activities, but as a campus-based University we have been glad to see activities such as conferencing and events, which generated £2.1 million – back on track with pre-pandemic projections.

On the technological front, cyber security attacks continue to threaten and AI technology is both presenting challenges and opportunities. Through our systems, processes, training and good practice, we are working proactively to keep our data safe, and to ensure that we employ AI technologies appropriately in our teaching and research, while ensuring our assessments and exams remain robust and trusted measures of our students' learning. In the coming months we will be launching a new Digital Strategy, developed in consultation with our staff, which will deliver a sustained and strategic change to the way the University operates.

The University now has a settled position on agile working which sees all colleagues expected to work a minimum of three days on campus. This arrangement allows the University and staff to benefit from increased productivity, greater flexibility, the ability to balance work and caring responsibilities, and positive impacts on health and wellbeing while providing the services our students and partners expect and deserve.

Despite the challenging environment in which we operate, our staff, through their collective efforts, have ensured our University continues to grow and thrive and I remain proud of the commitment and drive of colleagues across the institution.

In the 2022-23 Academic Year we welcomed more than 10,700 new students to Strathclyde and our National Student Survey 2023 results showed a top quartile overall satisfaction rate for all taught students of 81.5%, a positivity score above the overall score for Scotland provided by the Office for Students, as well as above the benchmark for Strathclyde.

We've seen cutting-edge, award-winning 5G technology developed at Strathclyde used to broadcast the final journey of Her Late Majesty Queen Elizabeth II and the Coronation of King Charles III; we achieved an outstanding position in the Times Higher Education University Impact Rankings at joint 36th in the world out of 1,591 universities for our work on advancing the UN Sustainable Development Goals; and we opened both the National Manufacturing Institute Scotland HQ and, with our strategic partners CPI, the Medicines Manufacturing Innovation Centre at the Advanced Manufacturing Innovation District Scotland in Renfrewshire.

As the principal driver and a founding partner of the Glasgow City Innovation District (GCID) we have been delighted to see it attract more than £700 million of investment through four concurrent major capital projects which are transforming the face of Glasgow – Bruntwood SciTech, Love Loan, High Street Goods yard and Candleriggs Square. All have been drawn to Glasgow by the magnetism and momentum of GCID, which was also a key factor in the UK Government's decision – as part of their Innovation Accelerator programme – to award £33 million of Levelling Up funding to 11 ambitious projects in the city to further accelerate the region's innovation economy – including six projects involving Strathclyde. Following a second TechFest event in 2023 the event will now become a regular and expanded fixture in the tech sector calendar as Tech Week from next year. This will also see GCID host the International Association of Science Parks and Areas of Innovation European Division conference.

The development of our campus continues too, with Glasgow City Council approving a no-cost transfer to the University of three streets surrounding Rottenrow Gardens which will enable us to progress with our Heart of the Campus development plans. These plans will see roads pedestrianised to create cleaner, safer, pedestrian- and cycle-friendly spaces which will significantly enhance the student experience and the general campus environment for all our community.

As a socially progressive Institution, we continue to put equality and diversity at the heart of everything we do. In the last year, our commitment to gender equality saw Strathclyde secure a Silver Athena Swan Award at Institutional level, with the University also holding 17 Departmental Athena Swan Awards.

We enhance our research and education activities through collaboration programmes with world-class academic partners across the globe, through which we affirm our standing as a leading international technological university that is socially progressive. Such strategic cooperation offers enormous opportunity to our academics and research staff, provides new routes for Strathclyde's impact as well as creating the basis for innovative degrees programmes, courses and placement experience for our students.

In October we published a report of the findings of our investigation into historical links to the Transatlantic trade in enslaved people, which revealed individual and financial links to Strathclyde's forerunner, Anderson's Institution. These findings will help to inform our actions going forward as we seek to tackle racism and discrimination in all its forms.

We also published the report, recommendations and action plan of the Race Equality Working Group which will shape our institutional response to ensuring racial equality is fully embedded within our University. This action plan will be taken forward and overseen by our newly-formed Race Equality Steering Group.

Strathclyde continues to reach out to the local community and in 2023 we welcomed the first cohort of school pupils through our new Young Strathclyder initiative to a celebratory graduation ceremony in the Barony Hall. This programme, developed by our Access, Equality & Inclusion Service in partnership with all four Faculties, helps to build the confidence and aspirations of young people as part of our commitment to widening participation.

We renewed our strategic alliance with Strath Union to ensure the student voice remains at the heart of our decision-making on enhancing the learning experience and supporting the changing needs and desires of an ever-evolving student body – in a year which has seen record numbers of international students choosing to study with us.

Over the past year, Strathclyde has continued to receive recognition for the quality of its offering. In June, we were named as European Entrepreneurial University of the Year in The Triple E Awards, organised by the Accreditation Council for Entrepreneurial and Engaged Universities.

In September, the Daily Mail, in its inaugural university league tables, named Strathclyde as its Scottish University of the Year 2024 and runner-up as UK University of the Year.

We recognise that our success in such awards and accolades – and as a University – must be credited to our people which is why through our Strathclyde People strategy we are committed to creating an exceptional, values-based work environment where colleagues feel deeply connected with the University's strategic vision and have the skills, motivation and reward for delivering it.

More than 200,000 individuals around the world now proudly call themselves Strathclyders and are utilising the education they received at our University to build successful careers and achieve remarkable feats. As a University powering into its third century coupled with the energy of an ambitious 21st Century institution, our institution is firmly rooted in our core values – people-oriented, innovative, collaborative, ambitious, and bold.

I would like to offer my sincere thanks to all of our staff and students for the role they have played in our success over the past year as we look forward with confidence and ambition to the next phase of our strategic development.

Professor Sir Jim McDonald
Principal and Vice-Chancellor
25 January 2024

Strategic Report

VISION AND MISSION

Our five-year Strategic Plan, Vision 2025, builds on the University's collective achievements over recent years in realising our vision of a socially progressive, leading international technological university. Progressing the delivery of our five-year Strategic Plan, covering the period 2020 – 2025, we continue to use our distinctive position as a leading international technological university to be innovative in delivering our ambitions – questioning, challenging and developing both the boundaries of knowledge and, internally, our approaches, operations and processes to ensure that we are effective in all that we do. Coupled with our relentless commitment to pursuing a globally socially progressive vision, these two overarching characteristics define the authentic passion we have for making definite, high value, contributions to 'useful learning' in the 21st century.

In pursuit of our vision, the three key Strategic Goals through which our ambitions are being delivered are: i) Outstanding education and student experience ii) World-leading research and iii) Transformative innovation and impact. Our Cross-cutting Goals provide critical context: iv) Global engagement and v) Operational excellence.



Within Vision 2025, we refined and refocused our key performance indicators (KPIs) to build on the significant positive progress made over the period of the previous strategy. The majority of our performance indicators were extended to 2025, with further stretch included in targets and some additional enhancements introduced to our KPIs. The mid-point of our strategy provided the ideal timing to review the appropriateness and efficacy of our KPIs in 2022-23. As a result, four of our KPIs were updated following approval by the University Court at its meeting on 2 March 2023; further details are provided in the commentary for each KPI within this section. Following on from this review, our KPIs continue to provide a robust and focused framework to measure and demonstrate our overall success, underpinned by delivery against a wide range of supporting strategies and across the University, and informed by data and additional metrics. The information on performance measures provided below should be considered in the context of Vision 2025.

Our focus continues to be on achieving our 2025 goals, though we are also looking and planning further ahead, with work already well underway on developing our 2030 strategy, which we expect to launch imminently.

Our mission as a socially progressive, leading international technological university has set us apart from others in the sector, and by 2030 we will have grown our influence, reach and position by deploying our Strathclyde distinctiveness across all of our activities. To ensure our 2030 Strategic Plan reflects our values, we have consulted with colleagues and students across the University to seek input and to develop the plan. Their contributions have been invaluable, because it is our people that lie at the heart of our strategy and our mission to make a positive difference to the lives of our students, and to wider society.

NAVIGATING SOCIETAL CHALLENGES

The University's position as a socially progressive, leading international technological university – on an upward performance trajectory, underpinned by a balanced portfolio of activity and robust financial management – has enabled Strathclyde to respond pro-actively to the evolving challenges in the external environment, including the pandemic, changes to the UK's relationship with Europe, geopolitical instability, and the cost of living crisis. These challenges affect the organisation as a whole, as well as having impacts on our staff and students. Our values-led response, with people at the heart of that response, is outlined below.

The University's Values provide a clear framework for decision-making which has, and continues to have, students and staff at its core. As we navigate through the 2023-2024 academic year, the quality of our provision, the student learner journey and student experience remain at the forefront of our planning, decision making and commitment, while prioritising the essential health and wellbeing issues for our staff and students. We will continue to implement practical and impactful measures for our staff and students in line with our values and our socially progressive ethos. In the past year, we have worked to support our diverse student population through a range of financial difficulties that have included student issues relating to currency fluctuations, natural disasters impacting the finances of student sponsors, and a shortage of affordable student accommodation in the city. Our support has included providing financial support funds to help students with the increased cost of living, collaborating with local hotels and accommodation providers to offer affordable housing solutions in Glasgow, and offering flexible payment plans to pay tuition fees. In November 2022, we helped colleagues with the cost of living crisis by providing a non-consolidated payment for all staff. This support was in recognition of the pressure on household budgets created by rising energy costs and increasing inflation.

NAVIGATING SOCIETAL CHALLENGES CONTINUED

With the aim of enhancing the student experience, our Strategic Alliance with the University of Strathclyde Students' Association (Strath Union) provides a framework for the strategic elements that are common to the objectives of Strath Union and the University and the changing needs, wants and desires of an ever-evolving student body. Our approach to providing a safe place for flourishing in work and study is set out in Strathclyde Safe 360°.

Our ability to remain flexible and agile is as important as ever in both how we enable learning and work, and provide wider support. Careful consideration of the external context will continue to be critical in exploring the optimal outcome for the University. We will continue with our proactive engagement with industry partners, business and the UK and Scottish Governments to propose positive responses to local, national and international challenges, including economic and social recovery from the pandemic, student accommodation supply issues, the ongoing high inflation and the cost of living crisis. We remain in a position of strength as we navigate these challenges. Our current strategy Vision 2025 provides a robust and clear framework within which we can respond and adapt to these challenges and this is further bolstered by the University's Corporate Risk Register. Our upcoming strategy for 2030 will continue to provide that framework to allow us to respond to ongoing and future challenges.

OUTSTANDING EDUCATION AND STUDENT EXPERIENCE

Strategic context

The environment for student recruitment is highly competitive, due to a combination of divergence in UK higher education policy and funding, some constraints on travel, immigration, and perceptions of quality created by national and international rankings. Strathclyde has a distinctive offering, and we ensure a positive learner journey for all by focusing on successful transitions across all levels of education; as a socially progressive university we are committed to providing access to people from the widest possible range of backgrounds, to improving student retention and ensuring onward success. Our strategic ambitions focus on growing our postgraduate cohorts, further diversifying our student population and creating flexible pathways, including work-based learning, so that individuals from a variety of backgrounds can benefit from the distinctive student experience at Strathclyde.

The delivery of an outstanding student experience, good retention rates and positive graduate outcomes are essential characteristics for a successful and attractive university, and this is reflected in our KPIs. The quality of our learning provision continues to be shown in our assurance review exercises. In our most recent Quality Enhancement & Standards Review (QESR), undertaken by the Quality Assurance Agency Scotland (QAAS) in May 2023, the QAAS confirmed that it is confident that the University of Strathclyde is making effective progress in continuing to monitor, review and enhance its higher education provision to enable effective arrangements to be in place for managing academic standards and the quality of the student learning experience. This is the highest possible outcome for QESR and the University received three commendations and just two formal recommendations. The QESR is an interim review arrangement that the SFC and QAAS have put in place to cover a two-year period during which a new quality framework for both Higher Education and Further Education is being developed, along with a new QAAS review process to replace the Enhancement-led Institutional Review (ELIR).

OUTSTANDING EDUCATION AND STUDENT EXPERIENCE CONTINUED

Vision 2025 KPIs	Progress/activity
<p>Achieve an annual intake of 1,300 Scottish domiciled undergraduates from SIMD 0-40 entrants by 2025</p>	<p>Strathclyde has a long-standing commitment to widening access to people from the widest possible range of backgrounds. The University exceeded its 2020 target for the recruitment of Scottish-domiciled undergraduates from SIMD 0-40 areas three years early. We remain the Scottish research-intensive university with the largest proportion of entrants from the 40% most deprived areas in Scotland. In 2022-23, Strathclyde admitted 1,250 SIMD 0-40 entrants, which met the 2022-23 milestone of 1,250.</p>
<p>Status: On track</p>	
<p>Maintain undergraduate retention rates from year 1 to year 2 of over 93% in each year</p>	<p>Whilst our student population continues to change we have built on our high retention rate. For 2022-23, the undergraduate retention rate from year 1 to year 2 was 89.1%, which is lower than our milestone of 93.0%. There was a notable improvement in retention rates during the pandemic, and we are now seeing these levels fall. Monitoring continually takes place to ensure that we can identify and respond to any retention issues at each stage of the student lifecycle.</p>
<p>Status: Further work required</p>	
<p>Achieve National Student Survey satisfaction scores in the upper quartile for Overall Satisfaction and the upper or second quartile for at least five out of seven question sections in each year: this KPI will evolve over the period of the Strategy</p>	<p>Strathclyde's National Student Survey 2023 Overall Satisfaction score for all students is 81.5%, which is in the upper middle (second) quartile. The University is in the upper or second quartile in 6 out of 7 question categories. There have been major changes to the survey this year and our target has been updated to reflect the change in the number of question categories from eight to seven.</p>
<p>Status: On track</p>	
<p>Achieve Graduate Outcomes figures for the percentage of UK full time, first degree leavers in highly skilled employment or further study in the upper quartile of UK HE institutions in each year</p>	<p>In 2023, based on the latest available data from graduates in 2020-21: 81% of Strathclyde's UK full time first degree leavers were in highly skilled employment/ further study with Strathclyde in the upper quartile, and meeting our milestone, for the fourth consecutive year.</p>
<p>Status: On track</p>	
<p>Increase our postgraduate taught (PGT) population to 5,000 FTE by 2025</p>	<p>The postgraduate taught population was 5,510 FTE in 2022-23 exceeding the 2022-23 milestone of 4,524 and also surpassing the final target of 5,000 in Vision 2025</p>
<p>Status: On track</p>	



WORLD-LEADING RESEARCH

Strategic context

The University's ambition to increase its research quality and intensity is integral to its mission as a leading international technological university that is socially progressive. With ambitious targets in this area we have made significant progress over recent years in what is an increasingly competitive and challenging funding environment.

Our distinctive mission and our focus on partnership with industry and international partners continues to play a significant part in our success. Focus on research excellence and impact has been critical, and last year we celebrated the results of the Research Excellence Framework 2021 - almost 90% of research produced by the University of Strathclyde was rated 'world-leading' or 'internationally-excellent'.

Our strong performance in REF 2021 relative to other institutions is reflected in the Times Higher Education's (THE) REF ranking tables based on Grade Point Average. The University was ranked fourth in Scotland and joint 33rd in the UK, an increase of four places since 2014. Reflecting Strathclyde as 'the place of useful learning', the University's

impact and research environment profiles were recognised as particularly high-quality, evidenced by both sub-profiles being above average for the sector.

Although REF cycles are typically six to seven years, we are already well underway with preparations for REF 2028, which has an increased focus on research environment and culture. As a socially progressive and values-led institution, our world-leading research must be underpinned by a positive research culture that recognises and rewards quality in all its forms, promotes research integrity and supports the career development of all staff involved in research. Strathclyde signed the Agreement on Reforming Research Assessment (ARRA) and became a founding member of the associated Coalition for Advancing Research Assessment (CoARA) in November 2022. This demonstrates Strathclyde's dedication to making tangible improvements to research assessment, and research culture more broadly, in line with our shared University values to be bold, innovative, collaborative, ambitious and people-oriented.

Vision 2025 KPIs	Progress/activity
<p>Increase our total competitively won research income to £125 million by 2025</p>	<p>Our Vision 2025 strategy set very ambitious growth targets, from a 2018/19 baseline of £74 million to a 2025 target of £125 million. Each year, we have exceeded our milestone targets, reflecting huge success in the growth of research income. In 2022/23, our research income totals £115.8 million, representing a year-on-year increase of £7.5 million (6.9%).</p>
<p>Status: On track</p>	
<p>Close the gap on the Russell Group average of published research outputs in the top 10% of their field worldwide for citations</p>	<p>The University KPI was updated as a result of the mid-strategy review. It moved from a defined target of 20% to a relative target, and instead of focusing on a single year, takes into account the period leading up to and including the most recent full calendar year. Strathclyde produces around 2,000 outputs per annum so each output contributes around 0.05% to the University's PP(top10%) score. In 2022-23, 15.2% of our published research outputs were in the top 10% of their field for worldwide citations. The Russell Group average in the same period was 18.0%. This 2.8% gap is a reduction on the previous year's gap of 3.1%.</p>
<p>Status: On track</p>	<p>Looking ahead, our 2030 Strategy goes beyond the focus on citations as a single metric, and instead focuses on a basket of measures.</p>
<p>Increase our postgraduate research (PGR) population to 1,300-1,500 FTE by 2025</p>	<p>Our ambitions for PGR population growth continues to be aligned to our growth in research income and industry-sponsored activity. We have experienced significant growth in our postgraduate research student population over the past decade, contributing to our research intensification agenda. At the mid-strategy review, due to sector-wide recruitment challenges and the buoyant job market in the UK, we chose to update the 2025 target from 2,000 FTE to a range between 1,300-1,500 FTE per annum until 2025. Through significant focus and activity our overall population in 2023 is 1,275 FTE, slightly below the target. We are pursuing a wide range of opportunities for further growth, including PHD at Work and other industry partnerships.</p>
<p>Status: Further work required</p>	

TRANSFORMATIVE INNOVATION AND IMPACT

Strategic context

The growth of our distinctive Strathclyde innovation ecosystem, built around entrepreneurship, partnership and collaboration, is key to our overall strategy. Knowledge exchange and innovation are central to the University’s mission to create useful learning that benefits society and which can contribute to health, economic, social and cultural wellbeing. In a competitive global environment, our unique collaborative approach brings together diverse companies and supply chain partners to address industry challenges and contribute to the wider economy.

Vision 2025 KPIs	Progress/activity
<p>Increase our total income from conferences, training, consultancy, Knowledge Exchange Grants and other Knowledge Exchange income to £30 million by 2025</p>	<p>We are continuing to make positive progress towards our target of achieving income of at least £30 million per annum by 2025 and, in 2022-23, income from conferences, training, consultancy, Knowledge Exchange Grants and other Knowledge Exchange income totalled £30.5 million. This exceeded the 2022-23 milestone of £26.6 million and also surpassed the 2030 target figure of £30.0 million.</p>
<p>Status: On track</p>	
<p>Increase the breadth and depth of our key strategic relationships</p>	<p>Strategic relationships form a core part of the University's Vision 2025 with a particular focus on our world leading innovation districts and relationships. Our high-quality strategic partnerships extend across the NHS and private industry. This year we added a further ‘third sector’ category to encompass the full spectrum of our partnerships. Following the addition of two third sector partnerships, we now have 24 strategic partnerships recognised under this KPI.</p>
<p>Status: On track</p>	

GLOBAL ENGAGEMENT

Strategic context

Being international is central to our identity as a socially progressive, leading international technological university. We are committed to strengthening our engagement with international perspectives and partners in this regard with an international outlook permeating everything we do.

This is reflected in the increasingly international and collaborative nature of our research, scholarship, knowledge exchange and innovation, but also in our drive to deliver a teaching and learning experience which equips our graduates with the necessary attributes to flourish in the global workplace. Through our strategic partnerships with selected global universities we are delivering an increasing number of activities aligned with international engagement, including joint PhDs, exchange programmes, and staff secondments.

Our focus on the United Nation’s Sustainable Development Goals (SDGs) as part of our vision as a socially-progressive university goes to the heart of addressing global challenges in collaborative ways with our international partners. Our cross-University approach is enabling increased understanding and better supporting the delivery of international impact. This was recognised in the most recent Times Higher Education Impact Ranking, which is based on the 17 SDGs – Strathclyde was ranked joint 36th in the world overall, and ranked in the top 50 globally for seven of the SDGs. The University is a signatory of the SDG Accord, and our Centre for Sustainable Development is now well-established and having a real impact on those global challenges. We remain committed to delivering and contributing towards the SDGs by means of inspiring, reporting and learning from each other.

Vision 2025 KPIs	Progress/activity
<p>Increase our international student population to 4,500 FTE by 2025</p> <p>Status: On track</p>	<p>Despite the challenges of recent years, including the pandemic, geopolitical unrest, accommodation shortages within the city of Glasgow, and continuing inflationary pressures, we are continuing to make positive progress towards our target of having an international student population of 4,500 FTE by 2025. In 2022-23 there were 5,505 FTE non-EU students registered at Strathclyde. This exceeded the 2022-23 milestone of 4,006 and also surpassed the 2025 target of 4,500.</p>
<p>Sustain or exceed the proportion of international staff at or above 36% each year</p> <p>Status: On track</p>	<p>Just as our student population becomes more internationally diverse, so too does our staff body with 37% being international compared to 31% in 2012. This KPI relates to all academic professional staff with a non-UK nationality.</p>

OPERATIONAL EXCELLENCE

Strategic context

Ensuring that our operations are excellent, across all activity and in the most effective and efficient way, is vital to maximising the impact of the funding we receive. Excellence, underpinned by efficiency and effectiveness, is a key area of focus for our funders with year-on-year efficiency gains specified in our teaching funding from the SFC and efficiency returns required by the Scottish Government. In this context, maximising the efficiency of the investments in our estate, our people and our systems is critical in order to create sufficient headroom for continued growth and investment.

Vision 2025 KPIs	Progress/activity
<p>Achieve a year-on-year reduction in the gender pay gap</p>	<p>As a socially progressive institution, we have acted over the years to reduce the gender pay gap in line with our commitment to pay equality. Alongside this we also monitor and respond to pay equality for other protected characteristic groups, for example race or disability.</p> <p>Steady progress is being made and 2022-23 year-end data shows a gender pay gap of 15.9% down from 17.3% a year earlier. Our most recent Gender Pay and Equal Pay Gap report provides an update on progress and an overview of the initiatives that we have implemented since 2021.</p> <p>Looking ahead to the 2030 Strategy, we will continue to focus on gender pay gap, and ensure we continue to monitor all pay gap categories within the Gender and Equal Pay Gap report.</p>
<p>Status: On track</p>	
<p>Meet or exceed planned annual net cashflow from operating activities (this figure is recalculated annually)</p>	<p>Whilst changes in working capital resulted in net cashflow from operating activities (£7.7 million) in 2022-23 being lower than the original 2022-23 target (£15.0 million) by £7.3 million, net funds at the year end totalled £87.6 million (Note 21), exceeding the budgeted net funds by £66.8 million.</p>
<p>Status: Further work required</p>	
<p>Achieve a year-on-year reduction in greenhouse gas emissions leading to 30% reduction by 2025, 80% by 2030 and net zero by 2040 at the latest</p>	<p>Following review of current emissions data, and our ambitious campus plans, during the mid-strategy review, we rephased our planned progress towards net zero. We remain fully committed to our 2030 milestone of an 80% reduction by 2030 and achieving net zero by 2040. Due to factors beyond our control, including but not limited to the pandemic, the invasion of Ukraine, and substantially increased costs of both borrowing and materials arising from the cost of living crisis, we have recognised that substantial infrastructural and estates projects that are key to reducing our carbon emissions will not be delivered until after 2025. Our 2025 target for this KPI is now to achieve a 30% reduction in emissions from our 2018 baseline. Prior to the March 2023 KPI revision the 2025 target was 70%.</p> <p>This also allows more time to take a systemic approach to the post-pandemic return to on-campus working and business travel.</p> <p>Emissions for 2022/23 totalled just over 28,460 tCO₂e. This is a total reduction of 24.1% on the baseline figure. It is also a 4.8% increase on last year's emissions. Work is continuing to progress on our Net Zero Estates Plan and we have recently approved a new and ambitious Travel Policy to help reduce carbon generated from travel. Planning and policy change will be instrumental to the University's delivery of significant reductions in the coming years.</p>
<p>Status: Further work required</p>	

RISK MANAGEMENT

Risk management is about systematically examining a wide range of internal and external risk opportunities to the University, including financial, human resource, reputation, that may affect the University achieving its strategic objectives. Understanding their potential impact or benefits enable measures to be put in place to maximise the benefit or lessen any negative impact.

The University views risk management as integral to the successful execution of its Strategic Plan. Risk management sits alongside the institutional risk appetite statement and sets a framework for managing acceptable risk in key areas. There is an established business process for identifying, evaluating and managing the University's significant risks, which complies with the Financial Reporting Council's "Internal Control: Guidance for Directors" (formerly the Turnbull Committee Guidance) as far as it is applicable to higher education institutions. Risk registers are produced at Department and Directorate level and these are regularly reviewed and managed by the appropriate areas with regular reports being made from one level to the next in the committee structure.

At each stage the identified risks are evaluated and distilled, leading to the production of the Corporate Risk Register, incorporating the University's top risks, which is reviewed and managed by the Executive Team. In 2022/23, an enriched

style of reporting was introduced, linking the Corporate Risk Register to a systematic approach to the understanding of institutional risk appetite. The information is used to inform the strategic planning process in addition to the management of risk. A Corporate Risk Group, chaired by the University Compliance Officer, is responsible for supporting and advising the Executive Team and, through it, the Audit and Risk Committee and Court on the implementation and monitoring of the risk framework.

The Audit and Risk Committee's role in this area is one of a high-level review of the arrangements for internal control, providing assurance to Court. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. The Corporate Risk Register was reviewed by Court at its October 2022 and May 2023 meetings.

Risks relating to the wider economic context, including inflation, energy supplies, financial market volatility, impacts of the UK's withdrawal from the EU and the recruitment of international students have been monitored carefully at the highest levels of University management and proportionate measures taken in response to external developments in these areas. These risks featured in the Corporate Risk register in 2022/23, with adjustments made in-year in response to the rapidly changing environment.



RISK MANAGEMENT CONTINUED

Strategic theme	Risks
Outstanding education and student experience	<p>It is critical that we maintain and continue to develop a high quality and cost-effective academic portfolio and distinctive student experience that is attractive to future students, funders and key external stakeholders. To do so will attract applicants, enhance student satisfaction and outcomes, and increase opportunities for collaborative work with external partners.</p>
World-leading research	<p>Whilst the University has had considerable success in delivering world leading research and the pipeline of income from research grants already won is strong, further growth in this area will undoubtedly require continued focus, particularly in the context of the UK's exit from the EU. Continuing our historically strong performance in securing EU framework programme funds in the short to medium term will continue to be a key focus following the recent confirmation of the UK's continued participation in Horizon Europe, whilst diversifying our income streams, particularly from other sources, and further capitalising on opportunities arising through the UK Government's place-based funding (such as the Innovation Accelerator) and UK Catapult Centres.</p> <p>Further development and expansion of our relationships with business and industry, and outwith the EU, is increasingly important for the support of postgraduate research students as well as research income growth.</p> <p>In light of this, we are continuing to drive towards ambitious KPI targets focusing both on research income and PGR numbers through our Vision 2025 Strategy. REF 2014 results brought financial benefit flowing from the Scottish Funding Council (SFC) via the University's Research Excellence Grant (REG) allocations. Our excellent performance in REF 2021 resulted in further increases in REG allocations, though the extent of the uplift was impacted by changes to the funding methodology determined by SFC. As we look ahead to REF2028, we take forward a renewed focus on positive research culture.</p>
Transformative innovation and impact	<p>With companies facing increased global competition and an increase in credible universities with which to partner with for research and development and CPD support, this remains a highly competitive area. Continuing to deliver and develop our innovative and highly successful industry cluster centre model – and apply this in new ways in other fields (e.g. public policy, charity and public sectors, etc.), such that we are in a position to secure longer-term contracts with multiple partners – will be critical to the development of relationships with a range of companies, supply chains, government and others.</p>

RISK MANAGEMENT CONTINUED

Strategic theme	Risks
Global engagement	<p>Challenges in the external environment, notably the COVID-19 pandemic and the invasion of Ukraine, continue to impact on mobility and the economy. In addition, the attractiveness of the UK and its institutions as partners for European Universities has been affected by the UK's exit from the EU and, in particular, the sustained uncertainty until recently around participation in Horizon Europe and withdrawal from the Erasmus Scheme.</p> <p>Related to both the pandemic and Brexit, universities have experienced short-term adverse impacts on staff recruitment and retention, student enrolments, student satisfaction, graduate employment and reputation, with related financial consequences. To address these issues, we continue to ensure that our curricula remain globally attractive and infused with useful learning, and that our graduates are equipped for work in global labour markets. We continue to work through CESAER, the European association for Science and Technology universities, to build partnerships and maintain key links with these institutions.</p> <p>Increasing global competition for research and development funding, the significant investments growing economies are making in their higher education sectors, the rise of teaching in English across the world, the growth of digital offerings in English, the changing mobility of international students and ongoing changes with immigration and visa regimes, both here in the UK and abroad, all represent significant risks to this strategic theme. The University's reputation and maintaining its relationships with leading universities will be critical in mitigating risk in this environment. Alongside this, we will continue to increase our international reach through further developing our digital provision to allow more flexible and remote access to our learning.</p>
Operational Excellence	<p>Failure to improve effectiveness and efficiency across all our operations will mean that we are not fully able to realise our strategic growth and investment plans. Failure to operate as effectively and efficiently as our competitors will lead to a relative competitive disadvantage and compromise our ability to demonstrate value for money, to generate sufficient funds for future investment, and to secure third-party funding. Increased global focus on climate action and carbon reduction are driving greater scrutiny and urgency around institutional and individual actions and choices and we are committed to innovating in this important area, both through our operations and through our research and learning provision.</p> <p>The prevalence of cyber-attacks on organisations across the world increases the risk and the potential impact on the University. The threat landscape is regularly monitored by the Information Security Strategic Risk Group which has its own detailed risk register for information security related matters. Desktop cyber exercises have taken place in 2023 to rehearse the University's Cyber Incident Response Plan. Failure to address this risk could result in significant loss to the University.</p> <p>A current issue across the sector is the potential presence of Reinforced Autoclaved Aerated Concrete (RAAC) across university estates. The situation is being actively monitored by the University with the engagement of Structural Engineers to assist in this process.</p>

Sustainability

Strathclyde is a world leading university for the work it does to address the UN Sustainable Development Goals (SDGs), according to the Times Higher Education (THE). THE's Impact Rankings 2023 places Strathclyde at joint 36th in the world out of 1,591 universities, and joint 6th in the UK. As a leading international technological university that is committed to being socially progressive, our vision is to make a positive difference to the lives of our students, to society and to the world. The UN Sustainable Development Goals are at the heart of much of our teaching and our research and our submission of results for all 17 SDGs demonstrates the breadth and depth of our engagement. This will become further embedded as the University develops and implements its Strathclyde 2030 strategy.

The University's continued success in these rankings is supported by the excellent work of the Centre for Sustainable Development team, and Sustainable Strathclyde team who are working together to promote and expand the impact of the University across all three dimensions of sustainable development - environmental, social and economic.



Sustainability continued

The examples below illustrate a small part of the breadth of activity at the University and demonstrate the commitment to embedding sustainability and sustainable development principles into everything that we do:

Direct input into national government or regional non-governmental organisations' SDG policy development	Strathclyde plays a leading role in contributing to national policy in Scotland and the UK through its academics. Professor Sir Jim McDonald co-chairs the Scottish Energy Advisory Board (SEAB), established in 2009, alongside the First Minister which provides a forum for strategic discussion on the current and future energy challenges and opportunities for Scotland.
Working with NGOs to tackle the SDGs through student volunteering, research programmes, and the development of educational resources	Strathclyde's Energy Access through Social Enterprise (EASE) project and associated Vertically Integrated Projects enable students to participate in initiatives that are focused on tackling specific SDGs, for example through deployment of solar power microgrids in Malawi.
Strong approach to sustainability in food and drink on campus, tackling food waste and offering vegan options	Strathclyde is a Fairtrade University which is accredited by the Soil Association and has achieved a Bronze 'Food for Life' Award for its catering. The University implements a plant-forward approach which emphasises plant-based foods, makes use of compostable packaging in all foods produced on site, and procures locally-produced products where possible.
Working with local, national and international health institutions to improve health and wellbeing outcomes	The University collaborates with a wide range of partners working to improve global health. Health & Care Futures at Strathclyde has forged partnerships with NHS Lanarkshire, NHS Golden Jubilee, conferring on each University Hospital status, as well as the Health and Social Care Partnerships in Glasgow and Lanarkshire. Together the partners are working on a range of projects to improve health and care services for users – for example through the COVID-19 intensive care demand modelling carried out by Professor Robert van der Meer and colleagues which helped NHS Lanarkshire effectively manage its limited resources during the height of the pandemic.
Tackling poverty and addressing social justice	Strathclyde's Law Clinic, with over £1.7 million saved or won for clients since inception, plays a major and impactful role in ensuring access to law and legal service provision for local communities in and around Glasgow who can't afford legal representation.
Engaging in research and knowledge exchange projects to enable decarbonisation	Strathclyde has been particularly active in wind and ocean energy, with early EPSRC-funded projects on testing wind turbine performance and developing new approaches to wind turbine control, leading to the award of a Doctoral Training Centre in Wind Energy, which has been followed by the Centre for Doctoral Training (CDT) in Wind and Marine Energy Systems and Structures. The University also led the Supergen Wind Energy Hub and now leads the Offshore Renewable Energy Impact Hub. Working closely in partnership with SSE, Scottish Power, Wood Group and other partners, the University has developed techniques to optimise the deployment and maintenance of offshore wind generation, accelerating the increase in renewable generation.

The University continues to lead ambitious climate action in line with our strategic KPI of achieving Net Zero by 2040. We remain on track to achieve our 2025 milestone of a 30% reduction in emissions from our 2018/19 baseline. Emissions data from 2022/23 totalled just over 28,460tCO₂e, a 24% decrease from baseline.

People strategy

As a socially progressive, values-based organisation, the University is committed to fair working practices and this is demonstrated through our core values, our People Strategy and our policies and procedures. The University is a member of the Scottish Business Pledge, a values-led partnership between Government and business with members making a commitment to fairness, equality, opportunity and innovation. The University has been an accredited Living Wage Employer since 2015 and in that year also took the decision to cease the use of zero hours contracts.

The University's People Strategy places staff at the heart of our plans, recognising that their collective talents, efforts and commitment will deliver our vision for the future.

Strathclyde People 2025 gives a baseline commitment to our staff – 'The Strathclyde Pledge', which confirms what every staff member can expect to receive in the workplace. The commitments within the Strathclyde Pledge and measures of progress are:



People strategy continued

Pledge commitment	Measure of progress
<p>A stable contract</p> <p>In some cases, this will necessarily be a fixed-term or flexible contract but we are committed to ensuring as much certainty as possible and early confirmation of what will happen at the end of each contract.</p>	<p>Reducing the percentage of fixed term contract staff with over 3 years' service is a Key Success Indicator within our People Strategy. As part of the Pledge, a review of the use of fixed term contracts was carried out at June 2022, which showed both a reduction in the number of staff on fixed term contracts and a reduction in the proportion of staff on fixed term contracts with service over three years. Further work is currently underway to conduct a further review into fixed term contracts within the University.</p>
<p>Fair & equal pay</p> <p>We commit to continuing to pay the Voluntary Living Wage, to helping staff understand the rationale for their salary level and to ensuring that, within each grade, we continue to pay colleagues appropriately regardless of their gender or other protected characteristic.</p>	<p>As a socially progressive institution, we have acted over the years to reduce the gender pay gap in line with our commitment to pay equality. Alongside this we also monitor and respond to pay equality for other protected characteristic groups, for example race or disability.</p> <p>Our most recent Gender Pay and Equal Pay Gap report provides an update on progress and an overview of the initiatives that we have implemented since 2021.</p>
<p>A safe & secure working environment</p> <p>We aim to ensure zero harm for our colleagues and commit to moving from reacting to allegations of harassment to prevention of harassment in the workplace.</p>	<p>At Strathclyde, our first priority is the safety, health and wellbeing of our University community. Our approach to providing a safe place for flourishing in work and study is set out in Strathclyde Safe 360°.</p>
<p>An opinion that matters</p> <p>We commit to listening to, and responding to, the views of our staff, both through our collective bargaining framework and from those who choose not to be Trade Union members.</p>	<p>A key element of listening to, and responding to, the views of our staff are the Principal's engagement sessions, with dedicated sessions for each Faculty and Professional Services staff. At the March 2023 sessions, the Principal introduced the development of our new Strategic Plan, Strathclyde 2030. All staff subsequently had the opportunity to comment on and contribute to the key goals and critical themes within the draft Strategic Plan during a consultation period. Opportunities to provide feedback included focus groups and town hall sessions in each Faculty and Professional Services area and an on-line feedback form.</p> <p>The University carried out a Values survey in December 2022 and has undertaken a number of pulse surveys on hybrid working arrangements during the year.</p>

More information on how the University will achieve the Pledge and measure progress is available on [The Strathclyde Pledge](#) webpage.

Disability policy

The University is committed to promoting opportunities for staff and students with disabilities. This covers recruitment, appraisal and training opportunities, support, awareness training for staff, implementation, monitoring and a complaints procedure.

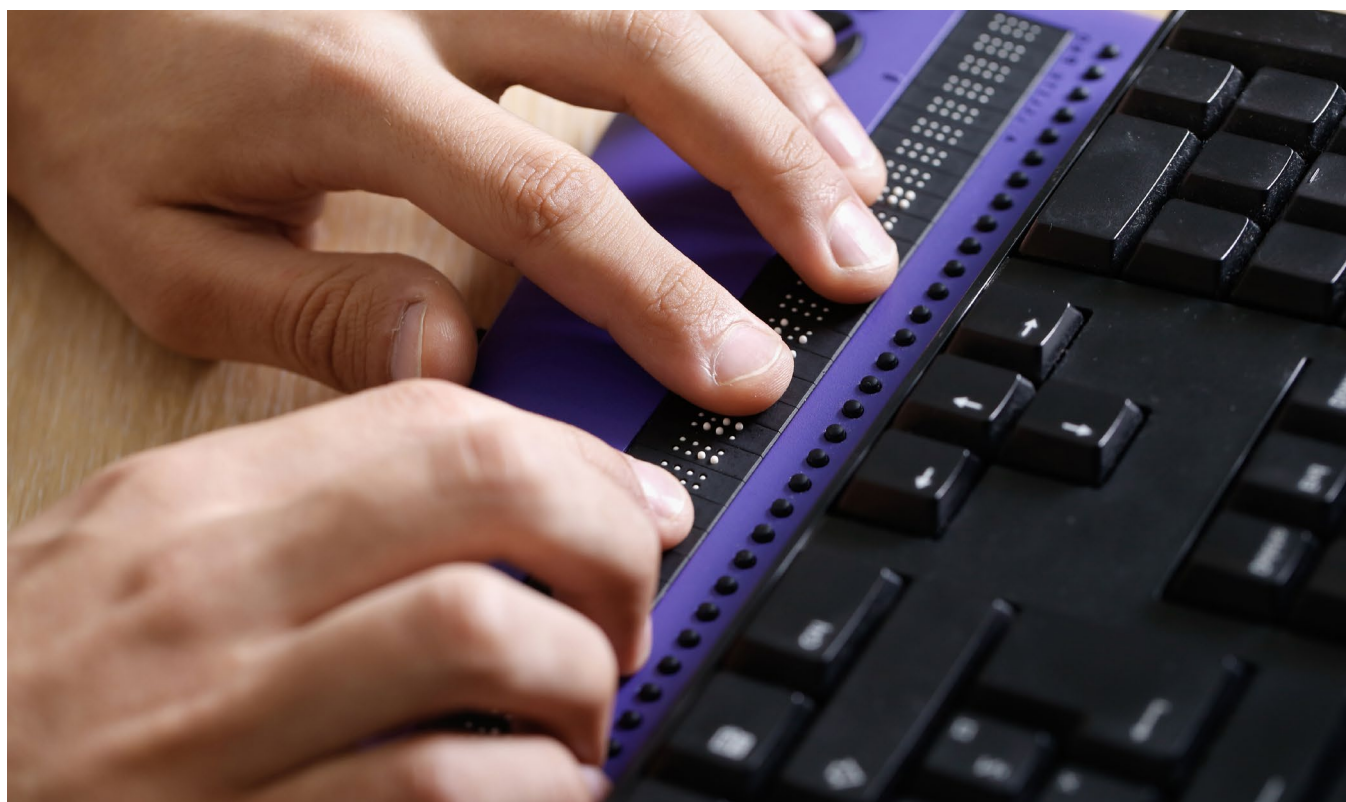
The University's Disability & Wellbeing Service has a team of advisers who work to improve access and inclusion of students and staff with disabilities.

Equality and diversity and inclusion policy

The University of Strathclyde is committed to achieving and promoting equality of opportunity in its learning, teaching, research and working environments, and to ensuring these environments support positive relations between people, and a culture of respect. As a provider of employment and education, we value the diversity of our staff and students and are committed to encouraging everyone to realise their full potential.

The University has an ongoing programme of expenditure, activity and policy to further these aims and to ensure it meets the requirements of the Public Sector Equality Duty and the Equality Act 2010. The Access, Equality and Inclusion Service at the University leads on activities to promote equality of opportunities for staff and students with protected characteristics as defined by the Equality Act 2010.

The equality, diversity and inclusion policy outlines the University's commitment and approach towards promoting equal opportunities for staff and students with protected characteristics, including disabled people and those with care experience, and we regularly publish [reports](#) on progress.





FINANCIAL REVIEW

	2023	2023	2023	2022	2022	Restated*
	Operating	Other	Total	Operating	Other	Total
	activities	significant		activities	significant	
	£M	items	£M	£M	items	£M
	£M	£M	£M	£M	£M	£M
Summary Income and Expenditure						
Income (excluding capital grants)	409.8	-	409.8	370.6	-	370.6
Capital grant income	77.6	-	77.6	17.2	-	17.2
Total Income	487.4	-	487.4	387.8	-	387.8
Expenditure (including depreciation)	(423.9)	21.6	(402.3)	(391.1)	(129.3)	(520.4)
Surplus/(deficit) before other gains and losses	63.5	21.6	85.1	(3.3)	(129.3)	(132.6)
Gain on investments	-	0.2	0.2	-	1.4	1.4
Unrealised deficit on revaluation of investment properties	-	(1.5)	(1.5)	-	-	-
Surplus/(deficit) for the year	63.5	20.3	83.8	(3.3)	(127.9)	(131.2)
Cash generated from operations			7.7			39.2
Cash and borrowings						
Cash and cash equivalents			142.7			184.1
Loans			(55.1)			(124.1)
			87.6			60.0
Total assets less current liabilities			615.9			560.9
Total reserves			402.9			250.3

* Prior year restatement explained on page 60



Overview

Whilst inflationary pressures on our cost base and the wider cost of living crisis have presented challenges, in 2023 the University generated its highest ever income from its operating activities, driven by strong student recruitment and our continued focus on growth in research and innovation. Income excluding one off items and capital grants, has risen by £39.2 million to £409.8 million, a year-on-year increase of 10.6%. Capital grant income has increased from £17.2 million to £77.6 million, largely as a result of the recognition of capital grant income for the National Manufacturing Institute for Scotland building following its completion in the year. Total income increased by 25.7% from £387.8 million to £487.4 million.

FRS 102 financial reporting requirements can result in greater volatility in financial outturns, most notably as a result of:

- The recognition of capital grants in income when the University is entitled to the funds as performance-related conditions are met. Previously such grants were deferred and then released over the life of the underlying asset.
- The need to make provision for the estimated cost of the deficit recovery plan for the Universities Superannuation Scheme (USS) with year-on-year changes to the University's liability arising from payment of deficit contributions together with changes in discount rates and other actuarial assumptions. In 2023, the provision decreased by £32.0 million (2022: provision increase of £125.0 million).

In addition to showing the overall financial performance for the University, the above table highlights the impact of a number of significant items included in the surplus for the year that are not influenced by day-to-day operations and the impact of capital grant income on the surplus for the year. The University generated a surplus, before significant items not influenced by day-to-day operations, of £63.5 million (2022: deficit £3.3 million).

FINANCIAL REVIEW CONTINUED

Capital grant income

Capital grant income has increased from £17.2 million to £77.6 million this year. Capital grants are recognised in full once performance conditions are met, resulting in variability in capital grant income year-on-year, as major projects are completed.

Increases in other capital grants (£59.5 million) and SFC capital grants (£2.2 million) were partly offset by decreases in research capital grants (£1.3 million) with further explanation provided below.

Other significant items

Significant items included in the surplus for the year that are not influenced by day-to-day operations include:

USS pension deficit provision adjustments

The University's commitment to fund pension deficit recovery contributions are reflected in the financial statements as a liability. This liability varies from year to year due to changes in the projected pensionable payroll but can also change significantly when there is a change in the level of recovery contributions.

In 2022, agreement of a new schedule of contributions following the 2020 valuation, contributed to an increase of £125.0 million in the provision. Higher discount rates in 2023, contributed to the provision decreasing by £32.0 million. Details of these movements are included in Note 18.

The impact on salary costs in 2023 was a credit of £38.3 million (2022: charge of £124.4 million), of which £9.1 million (2022: £3.3 million) was the utilisation of the provision for deficit recovery payments made in the year. The finance charge in 2023 was £6.3 million (2022: £0.6 million).

The USS 2023 valuation was concluded in December 2023 and lower contribution rates have been introduced from 1 January 2024. As the schedule of contributions agreed following the 2023 valuation has no requirement for continued deficit recovery contributions the balance of the deficit recovery provision will be released in the 2023/24 financial statements.

Restructuring costs

During the year, the University incurred £0.4 million (2022: £0.3 million) of one-off costs on restructuring a number of its Departments and Schools. These costs are reflected within salary costs.

Project costs

In 2023, the University incurred £0.9 million (2022: £0.7 million) of costs on the feasibility stage of a key strategic project. These costs have been expensed as the University progresses funding opportunities.

Gains and losses on investments

Unrealised gains and losses on the University's investments are reflected within the Statement of Comprehensive Income and Expenditure. Gains in 2023 totalled £0.2 million (2022: £1.4 million). Gains in 2022 were attributable to gains on disposals from the University's portfolio of investments in spin out and spin in companies (£2.0 million), partly offset by decreases in the value of the University's endowment and fixed asset investments as a result of market volatility following the Russian invasion of Ukraine. Against a background of the ongoing conflict in Ukraine, high inflation and rising interest rates, 2023 has again been a volatile period for equities and bonds, resulting in an overall gain on the University's endowment and fixed asset investments of £0.2 million.

Unrealised deficit on revaluation of investment property

A deficit of £1.5 million arose on the revaluation of investment property (2022: £Nil).

FINANCIAL REVIEW CONTINUED

Other factors impacting Total Comprehensive Income

Actuarial gain in respect of the pension scheme

The Total Comprehensive Income and Expenditure for the year on page 48 includes an actuarial gain of £68.8 million (2022: £38.9 million) in respect of the Strathclyde Pension Fund. This is a non-cash pension movement. Further details are provided in Note 22 and in Accounting Policy Note ‘Prior year restatement’ on page 60.

Balance Sheet overview

Investment in estate

Investment in the University estate in 2023 totalled £15.4 million, with £25.5 million investment in equipment. Further details are provided in ‘Investments in Infrastructure’ below. Notwithstanding significant ongoing programme of capital investment, the University’s cash less borrowings totalled £87.6 million at the year end.

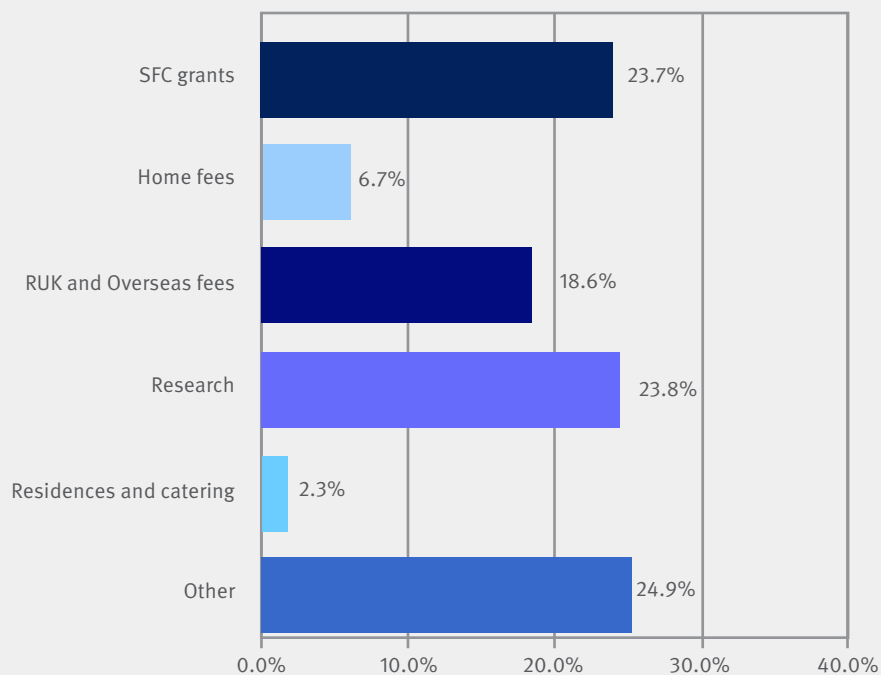
Total assets

The University’s Balance Sheet remains strong although the profile has changed following the University’s decision to repay the outstanding balance on its loan with the European Investment Bank in July 2023 (2022: £66.7 million). Cash balances at 31 July 2023 were £142.7 million (2022: £184.1 million).

Total assets less current liabilities increased from £560.9 million to £615.9 million and total reserves increased from £250.3 million to £402.9 million, due to the surplus for the year and the increase in the level of the SPF pension asset (Note 22).

Income

Chart showing composition of total income of £487.4 million.



FINANCIAL REVIEW CONTINUED

Income continued

Income, excluding one off items and capital grants, has risen by £39.2 million to £409.8 million, a year-on-year increase of 10.6%. Capital grant income increased from £17.2 million to £77.6 million this year. Key movements in income include:

SFC Grants down
£0.3 million (0.3%) to
£115.4 million

Grants for teaching, research and innovation increased by £3.2 million (3.3%). In addition to sector-wide increases of 1.5%-1.6% and additional places for Graduate apprenticeships, this included £2.0 million of additional support whilst the UK research and innovation sector awaited the decision on association to Horizon Europe.

Ring fenced grants from the Scottish Government were £1.5 million (71.4%) higher, largely due to revised funding arrangements for Prosthetics and Orthotics, formerly included in Education Contracts.

Whilst capital grants were £2.2 million (50.2%) higher, due to UKRPIF funding, a reduction in SFC's programme funding meant other strategic grants decreased by £2.5 million (33.3%). 2022 grants also included £4.7 million of COVID-support funding provided during the pandemic.

Tuition fee income up
£18.0 million (15.2%) to
£136.2 million

In 2023, continued recovery and strong demand resulted in total tuition fee income rising by 15.2% to £136.2 million, 24.4% above pre-pandemic levels.

Income from credit bearing courses rose by £16.6 million (15.6%). Increases in income from overseas students £19.1 million (32.7%) and RUK students £1.3 million (16.1%) were offset by decreases in fees from Scottish (£3.4 million, 9.4%) and EU students (£0.4 million, 10.0%). The largest variances in credit bearing fee income relate to postgraduate students with an increase in overseas income (£18.6 million) being offset by decreases in Scotland and EU income (£1.9 million and £0.4 million).

Non-credit bearing course income rose by £1.4 million (33.1%) due to higher Continuing Professional Development and conference activity.

Research income up
£7.5 million (6.9%) to
£115.8 million

The University continues to benefit from its investments in strategic staffing and research infrastructure with research income growing by £7.5 million (6.9%) to £115.8 million. Underlying research income increased from £96.4 million to £105.2 million (9.1%). This was offset partially by a decrease in research capital grant income from £11.9 million to £10.6 million. Research income has grown from a number of sources in 2023, most notably UK Research and Innovation, UK Central Government, UK Industry and the UK Health sector.

Other income up
£67.7 million (159.3%)
to £110.2 million

The recognition of capital grant income increased by £59.5 million to £60.5 million, in accordance with the completion of grant funded projects, most notably the National Manufacturing Institute Scotland building. Underlying other income rose by £8.2 million (16.5%) to £49.7 million, largely due to increases in income from residence and catering activities and knowledge transfer specific grant income.

Investment income up
£6.3 million (700.0%)

The increase in investment income of £6.3 million (700.0%) reflects both higher average cash balances, up £45.0 million to £222.0 million, and higher interest rates. The Sterling Overnight Index Average (SONIA) averaged 3.4% in 2023 (2022: 0.4%).

FINANCIAL REVIEW CONTINUED

Expenditure

Expenditure before one-off items has risen by £32.8 million to £423.9 million, an increase of 8.4%.

Key movements include:

Underlying salary costs up £6.7 million (2.9%) to £235.0 million

Underlying salary costs have increased by £6.7 million to £235.0 million, representing 55.4% (2022: 58.4%) of total underlying expenditure. Increases in salaries are primarily attributable to salary inflation together with higher expenditure on staff funded by research and knowledge exchange contracts, growth in research centres and investment in other strategic staffing appointments.

The high inflationary environment had a significant impact on salary costs in 2023 with pay awards in August and February as a result of national pay negotiations together with the impact of a supplementary cost of living payment in November, to provide essential support to staff.

Other operating expenses up £21.9 million (18.1%) to £143.0 million

Other operating expenses before one-off items have increased from £121.1 million to £143.0 million (18.1%). This included higher expenditure on utilities (£3.1 million), research grants and contracts (£2.9 million), knowledge exchange and other commercial activities (£5.8 million), student recruitment (£2.5 million) and scholarships (£1.0 million).

Utility costs have been significantly impacted by increases in the unit rates, particularly for gas and higher consumption following the opening of the NMIS building.

Depreciation and amortisation up £3.4 million (8.4%) to £43.7 million

The increase in depreciation and amortisation costs from £40.3 to £43.7 million includes higher buildings depreciation (£2.5 million), equipment depreciation (£0.3 million) and amortisation (£0.6 million). This is attributable to additions during the year, most notably the NMIS building, which became operational in 2023, and information systems (£4.7 million).

FINANCIAL REVIEW CONTINUED

Investments in infrastructure

Through our ongoing capital investment programme, we have made significant investments in transforming our estate. In the last ten years, this has included new buildings such as the Centre for Sports Health and Wellbeing, the Inovo building, the Technology and Innovation Centre, the HIVES extension to the Advanced Forming Research Centre, the Power Networks Demonstration Centre (PNDC), the John Anderson extension, and the National Manufacturing Institute Scotland (NMIS). These have all enhanced the size and quality of the estate and provided modern fit-for-purpose teaching and research accommodation.

We have also invested in the installation of a state-of-the-art district energy system, significant refurbishment and transformation of existing buildings on campus and major refurbishment projects such as the Learning and Teaching Building, the Wolfson Building, Lord Hope, Curran and Business School redevelopments to facilitate greater collaboration and enhance the student experience.

The major projects completed and ongoing during the year are detailed below. Other projects under development during 2023 include the Heart of the Campus project, which will transform Rottenrow Gardens at the centre of our campus, and the provision of additional facilities for PNDC, to accommodate the Driving the Electric Revolution and Whole Energy System Accelerator programmes. Progress has also been made in developing a programme of projects for the University's Journey to Net Zero and the Climate Neutral Campus.

The University's ability to deliver its ambitious Capital Investment Plan is contingent on its continued academic excellence and operational performance and the achievement of improvements in cash generated from operations.



FINANCIAL REVIEW CONTINUED

Investments in infrastructure continued

Capital investment in investment properties, land and buildings in 2023 totalled £15.4 million – major projects included:

National Manufacturing Institute for Scotland (NMIS)

In February 2023 the University took possession of the new headquarters building of the National Manufacturing Institute for Scotland (NMIS).

NMIS is a £65 million investment in Scotland's manufacturing future, supported by the Scottish Government and located on a 130 acre site on Abbotsinch Road, close to Glasgow International Airport.

This striking new, heather-coloured, 11,500m², operationally carbon-neutral building acts as a magnet for innovative global manufacturing, engineering, and tech businesses.

Leading the way in sustainable design, the flagship facility features clean and innovative low carbon solutions to mitigate its impact on the environment.

NMIS is operated by Strathclyde and is home to the NMIS Manufacturing Skills Academy, a fully connected Digital Factory and a publicly accessible collaboration hub. It forms the cornerstone of the Advanced Manufacturing Innovation District Scotland.

NMIS works with manufacturing businesses of all sizes and multiple sectors, providing benefits across the whole of Scotland. The services and support that NMIS will provide will be shaped by industry.

NMIS is supported by the Scottish Government, Scottish Enterprise, Innovate UK, Highlands and Islands Enterprise, South of Scotland Enterprise, Skills Development Scotland, Renfrewshire Council, and the Scottish Funding Council.

Prior to completion of the building in 2023, a further £4.8 million was incurred, with capital expenditure on the building now totalling £55.8 million.

Curran Building Infrastructure Projects

An ongoing programme of works in the Curran Building, including roof replacement, façade repairs and window replacement, continued during the year. These will improve the thermal efficiency of the building and the student and staff experience. Capital additions during 2023 totalled £2.8 million.

Royal College Building Infrastructure Projects

The University continued with its programme of upgrading projects to improve teaching and academic accommodation and infrastructure in the Royal College Building. These included the continuation of improvements to fire safety of the building, the reconfiguration of laboratory space to enable more effective use of space. These projects form part of an ongoing plan for enhancement of the building. Capital additions during 2023 totalled £1.2 million.

Thomas Campbell Court

In response to the increased demand of student accommodation, the University completed the refurbishment of and re-opened its Thomas Campbell Court residence in January 2023. Capital additions during the year totalled to £1.8 million.

FINANCIAL REVIEW CONTINUED

Net funds and cash flow

At 31 July 2023 net funds totalled £87.6 million (2022: £60.0 million). During the year the University generated £7.7 million of cash from operations (2022: £39.2 million of which £22.1 million was due to the impact on deferred income of the Charles Huang donation). Capital grants and disposal proceeds received exceeded expenditure on tangible and intangible assets by £18.0 million (2022: expenditure on assets net of capital grants received and disposal proceeds totalled £5.3 million).

Further details on cash flow movements are given in the Statement of Cash Flows.

Treasury Management

During the year the University undertook a detailed debt review which resulted in the decision to repay the remaining balance of its European Investment Bank loan in July 2023. The balance outstanding at 31 July 2022 was £66.7 million.

In the last four financial years, the University has made a number of successful applications to the Scottish Funding Council University Financial Transactions Programme and been awarded a total of £60.3 million of unsecured loan funding for strategic estates developments. These loans have contributed to the funding of the flagship Learning and Teaching building and the Wolfson Biomedical development which were completed in 2021 together with supporting a number of other projects key to enhancing the student experience and the sustainability of the campus. New loans received during the year totalled £0.7 million (2022: £5.9 million) and the balance of SFC loans outstanding at 31 July 2023 was £54.1 million (2022: £56.4 million).

The University actively manages its cash balances in accordance with the Treasury Management Code of Practice approved by Court. Credit ratings of approved counter-parties and deposit limits are reviewed regularly. Funds are deposited in a variety of Treasury accounts, ranging from overnight to six month deposits.



FINANCIAL REVIEW CONTINUED

Payment of Creditors

The University aims to pay all of its suppliers promptly and its financial systems and processes are configured to facilitate this. The University's current terms of payment are 30 days from the date of the invoice providing that all trading terms and conditions have been fulfilled. Specific terms and conditions can be agreed for certain suppliers if required.

At the year end, the University had trade creditors outstanding of £9.8 million. Given that the University paid a total of £141.2 million to trade creditors during the year, the amount outstanding at the year end represents 25 days (2022: 16 days). During the year, the University paid £184 (one hundred and eighty four pounds) (2022: £136) in relation to the Late Payment of Commercial Debts (Interest) Act, 1998.

Looking to the Future

The University has delivered a strong financial performance despite inflationary pressures in the year. However, we recognise that ongoing levels of inflation and global competition in the higher education sector present continuing challenges. The University's focus is therefore on ensuring resilience across all areas, with particular focus on financial and operational strength. The individual wellbeing of our students and staff is of the utmost importance and we shall continue to support them through the cost of living crisis, and geopolitical uncertainties such as the terrible conflicts which are ongoing in Ukraine and the Middle East.

Strathclyde continues to focus on all aspects of sustainability as it works towards delivery of Net Zero by 2040 and a just transition. This is a key deliverable under the University's current strategy, Vision 2025. Its successor, Strathclyde 2030, shall see sustainability embedded in all that we do. Robust financial performance shall be essential to our ability to deliver this important outcome and to continue to invest in our staff, delivery of an outstanding experience for our students, and of course, world-leading research.

We look to the future with bold ambition to tackle the challenges our society faces in a collaborative and innovative way.

Ms F Salzen
Treasurer
25 January 2024

Ms L Noble
Chief Financial Officer
25 January 2024

Statement of Corporate Governance and Internal Control

INTRODUCTION

The University's corporate governance arrangements are informed by best practice and by the Scottish Code of Good Higher Education Governance. In 2022/23, the University complied with all provisions of the Scottish Code of Good Higher Education Governance 2017 (henceforth 'the Code').

University governance and Court

The University of Strathclyde was established by Royal Charter in 1964. This document sets out the powers and functions of the University and makes specific provision for two major bodies within the University's governance structure: Court and Senate.

Under the terms of the University Charter and Statutes, Court is the Supreme Governing Body of the University and is responsible for overseeing the management and administration of the whole of the revenue and property of the University as well as academic-related matters, which are primarily devolved to Senate and its attendant committees and structures. Court exercises general control over the University and all its affairs, purposes and functions, taking all final decisions on matters of fundamental concern to the University.

During 2022/23, Court was composed of twenty-four members drawn from the University's external and internal communities, the majority of whom were co-opted lay members (i.e. members appointed by the Court itself who are neither staff nor students of the University). Overall, the membership of Court includes both academic and professional services staff (including directly elected members, Senate members and members appointed by recognised trade unions), two members appointed by the Students' Association, a member of Glasgow City Council, the Principal and the Vice-Principal, in addition to co-opted lay members and the Convener of Court (who constitutes the Senior Lay Member, in terms of the Act).

In addition to the members of Court and the University Secretary, members of the University Executive Team were invited to attend meetings during 2022/23, to facilitate accurate and efficient communication. The Head of Governance & Public Policy, who acts as Clerk to Court, was also in attendance at all meetings.

An induction session for new members of Court was held in September 2022 and other training and development opportunities were made available to all Court members as appropriate.

Court and its members are committed to upholding the Nine Principles of Public Life in Scotland. Court has adopted a Code of Conduct for its members which is set out in the Handbook for Members of Court. The University maintains a Register of Interests of Court members and relevant senior officers, which is publicly available for inspection on the University's website.

Court met on five occasions during 2022/23. A stakeholder meeting, of the kind set out in paragraph 43 of the Code, was held in December 2022. Court meetings were held in person, with remote access made available to any members unable to attend in person, to help maximise attendance. Between meetings, the Convener and Vice-Convener received regular briefings from the University's senior management and all Court members were kept informed by electronic means of any significant issues affecting the University. Court members also receive the University's weekly staff bulletin and the Principal's regular messages to staff.



Court has overall responsibility for approving the University's Strategic Plan and monitoring its delivery. It was actively engaged in the development of the University's current Strategic Plan, which was adopted by Court early in 2020 and covers the period 2020-2025, and is similarly involved in the current development of the strategic plan for 2025-2030. The University has a range of financial and non-financial Key Performance Indicators related to its strategic objectives.

Performance information is provided regularly to Court. A detailed schedule is in place to ensure that the main strands of University strategy are reviewed annually and in a consistent manner. In particular, there is at least one annual strategic meeting which is used, among other purposes, to assess organisational performance against the strategy: in 2022/23, Court held such strategic meetings in November and May.

Statement of compliance with the Scottish Code of Good Higher Education Governance

In the opinion of Court, the University of Strathclyde complied with all the principles and provisions of the 2017 Scottish Code of Good Higher Education Governance during 2022/23.

In the summer of 2022, an externally facilitated review of Court's effectiveness was conducted, as required by the Code, the last such review having been held in 2017. The final report from this review was received by Court in October 2022 and is available on the University's website.

Paragraph 19 of the Code allows for exceptions to the normal nine-year upper limit on the terms of office of lay members of Court, provided these are explained. As reported in the Statement of Corporate Governance and Internal Control for 2021/22, Court took the decision in March 2022 to extend the term of office of the then Treasurer, as a member of Court and as Treasurer, by one year, up to 31 July 2023, in order to preserve stability of financial leadership at a time of wider uncertainty, to maintain crucial skills within Court and to manage succession to the next Treasurer. The new Treasurer commenced office on 1 August 2023.

Delegation of authority

It is not practical for Court to make every decision that is required within the University and it has therefore agreed to delegate authority for certain decisions and certain areas of responsibility to appropriate individuals and committees, which are accountable to the University Court for exercising this authority. Court retains ultimate accountability and corporate responsibility for any decisions made on its behalf.

With certain exceptions defined under the Charter, Court may delegate any of its functions. The range of authority delegated by Court to its committees, the University Senate, and the University's management, is detailed within the Court's Schedule of Delegated Authority, which is published on the University website.

Academic matters are fully delegated to the Senate, with Court receiving reports from Senate following its meetings. The responsibility for oversight and regulation of the University's academic provision is therefore vested in the Senate, subject to Court's overall authority, and the Principal, as Chair of Senate, has responsibility for the delivery of education and the student experience across the University. Outside of Senate's responsibilities, much of Court's detailed work is initially handled by standing committees of Court. Senate, likewise, has a number of standing committees that carry out detailed work in relevant areas and report to Senate. In addition, the University has a range of Strategic and Compliance Committees, which oversee strategic delivery in key areas of activity and report to Court, Senate and/or the Executive Team, as required. These include an Estates Committee and a Staff Committee, both of which include Court members within their membership. See below for more details on both Court Committees and Strategic and Compliance Committees.

Committee Structure

The University's high-level committee structure provides clarity around the decision-making process and ensures the appropriate flow of information to Court. All of these committees are formally constituted, with terms of reference approved by Court, and report formally to Senate and/or Court. The Committees of Court and those strategic committees that report to Court include members of Court in their membership.

Standing Committees of Court

Court Business Group	The Court Business Group's role is to review the substantive business coming forward to Court in order to ensure that Court receives the information it needs to take clear, effective decisions. It also considers strategic and financial matters on behalf of Court and can approve certain decisions within specified financial thresholds.
Court Membership Group	The Court Membership Group's primary role is to consider and make recommendations to Court on the appointment of co-opted members of Court, as vacancies arise. It performs the role of a nominations committee, in terms of the Scottish Code of Good Higher Education Governance.
Remuneration Committee	<p>The Remuneration Committee advises Court and oversees the preparation of policies in respect of remuneration and conditions of service (including severance arrangements) for the University's senior management, including the Principal, and keeps these under review. It meets at least once annually.</p> <p>Appointments to the Remuneration Committee are made on the basis of particular skills and experience. The terms of reference do not preclude the appointment of non-lay members of Court. The Principal is not a member of the Remuneration Committee but attends meetings at the invitation of the Chair in order to inform discussions on the remuneration and conditions of service of other senior officers. The Principal does not attend when his or her own remuneration and/or conditions of service are considered or determined.</p>
Audit and Risk Committee	The Audit and Risk Committee's role is to review the effectiveness of the University's corporate governance arrangements, financial systems, internal control environment and risk management arrangements and provide appropriate assurance to Court on these areas.
Enterprise and Investment Committee	The Enterprise & Investment Committee's role is to review commercial investment proposals and make recommendations on investments in companies with appropriate connections to the University (for example, created by the University's staff and students), as well as license deals and other commercial joint ventures.
Statutory Advisory Committee on Safety and Occupational Health	The Statutory Advisory Committee on Safety and Occupational Health's role is to monitor and report to Court on the delivery of the University's Safety, Health and Wellbeing Strategy.

Committee Structure continued

Strategic and Compliance Committees

Strategic Estates Committee	The Strategic Estates Committee is responsible for strategic oversight of the University estates strategy and ensuring that it is consistent with the overall University strategy. It provides appropriate assurance to Court and the Executive Team on these matters. Its membership includes members of Court.
Staff Committee	The Staff Committee is responsible for the strategic oversight of strategy and policy in relation to staffing matters and for monitoring compliance with all relevant legislation. It provides appropriate assurance to Court and the Executive Team on these matters. Its membership includes members of Court.
Information Strategy Committee	The Information Strategy Committee is responsible for all matters of corporate information strategy and for the strategic deployment of all information resources. It provides appropriate assurance to the Executive Team on these matters.
Research and Knowledge Exchange Committee	The Research and Knowledge Exchange Committee is responsible for oversight of strategy and policy in the area of research, knowledge exchange, and innovation. It provides appropriate assurance to Senate and the Executive Team on these matters.
Education Strategy Committee	The Education Strategy Committee is responsible for developing and monitoring the University’s strategy for learning, teaching and assessment and the enhancement of the Student Experience. It provides appropriate assurance to Senate and the Executive Team on these matters.
Quality Assurance Committee	The Quality Assurance Committee is responsible for the quality assurance of the University’s academic provision and of the academic standards of its awards. It provides appropriate assurance to Senate, through the Education Strategy Committee.

Executive Team

The Executive Team is chaired by the Principal and acts as a forum for discussion and decision-making on major initiatives and issues for the University. Where appropriate, it makes recommendations to Senate and Court for approval. Membership includes the major budget holders within the University and key senior staff who advise the Principal on senior management decisions, particularly on the allocation of resource to Faculties and Professional Services. Its members are responsible and accountable for all components of the University's budget, both income and expenditure. As such, it plays an important part in the internal governance and academic operations of the University, and brings together the academic, financial, and human resource aspects of planning. It is responsible for managing the University's performance and for assisting the Principal in the delivery of the University's Strategy.

Risk management

The University views risk management as integral to the successful execution of its Strategic Plan. There is an established business process for identifying, evaluating and managing the University's significant risks, which complies with the Financial Reporting Council's "Internal Control: Guidance for Directors" (formerly the Turnbull Committee Guidance) as far as it is applicable to higher education institutions. Risk registers are produced at Department and Directorate level and these are regularly reviewed and managed by the appropriate areas with regular reports being made from one level to the next in the committee structure.

At each stage the identified risks are evaluated and distilled, leading to the production of the Corporate Risk Register, incorporating the University's top risks, which is reviewed and managed by the Executive Team. In 2022/23, an enriched style of reporting was introduced, linking the Corporate Risk Register to a systematic approach to the understanding of institutional risk appetite. The information is used to inform the strategic planning process in addition to the management of risk. A Risk Group, chaired by the University Compliance Officer, is responsible for supporting and advising the Executive Team and, through it, the Audit and Risk Committee and Court on the implementation and monitoring of the risk framework.

The Audit and Risk Committee's role in this area is one of a high-level review of the arrangements for internal control, providing assurance to Court. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. The Corporate Risk Register was reviewed by Court at its October 2022 and May 2023 meetings.

Risks relating to the wider economic context, including inflation, energy supplies, financial market volatility and impacts of the UK's withdrawal from the EU, have been monitored carefully at the highest levels of University management and proportionate measures taken in response to external developments in these areas. These risks featured in the Corporate Risk register in 2022/23, with adjustments made in-year in response to the rapidly changing environment.

Statement of internal control

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

Court keeps issues of control and risk under review and receives relevant reports from both the Executive Team and the Audit and Risk Committee. This includes reviewing quarterly Business Reports, which provide information on financial performance, receiving mid-year and annual progress reports on performance against the University's Key Performance Indicators, and reviewing mitigating actions and the selection of top risks within the Corporate Risk Register.

The University also issues a Key Controls Checklist to all departments on an annual basis, on the basis of which Statements of Assurance are provided, via Senior Officers, to the Principal and University Treasurer to confirm compliance with key University policies and procedures.

The 2022/23 Internal Audit Plan has been delivered according to schedule, and a report was presented to the Audit and Risk Committee in November 2023. The Annual Internal Audit Opinion was unqualified, but drew attention to the importance of promptly addressing findings from Internal Audit Reviews to ensure continued effectiveness of the control environment.



Statement of internal control continued

Key compliance requirements continued to be addressed, through robust processes and oversight including:

- Court, Senate, Executive Team and committees of Senate and Court continuing to function and operate to reporting cycles;
- monitoring of compliance with the requirements of the Higher Education Governance (Scotland) Act 2016 and the revised Scottish Code of Good HE Governance (2017);
- compliance with the latest UK and Scottish Government Acts and guidelines and guidance from Health Protection Scotland and the University's Insurers in relation to COVID-19;
- compliance with data protection legislation (GDPR) was assured through guidelines, online training, a network of departmental Data Protection Contacts, and a requirement for departments to complete an annual data protection audit checklist;
- maintenance of appropriate, centrally co-ordinated visa procedures, in line with UKVI guidance, protecting the University's ability to recruit international students and staff;
- Executive Team and Senate oversight to ensure assessment, examinations and Boards of Examiners could progress within University Ordinances & Regulations, assuring governance and equity for all learners, aligned to external quality assurance expectations (QAA guidance);
- fit-for-purpose physical and digital infrastructure: continued support for agile working, facilitated by the Zoom online conferencing tool integrated with MyPlace virtual learning environment and rollout of Microsoft Cloud tools, including Teams; online learning resources for staff, standard monitoring process and helpdesk procedures;
- close working with industry partners, including Microsoft alerts, on cyber-crime across HE.

The Audit and Risk Committee, on behalf of Court, has reviewed the adequacy and effectiveness of the University's system of internal control and risk management and is satisfied with the University's arrangements in that regard.

Going concern

The University's activities, financial performance and financial position, together with factors likely to affect its future development and performance, are described in the Strategic Report as are the University's Treasury Management policies. Emerging and principal risks and uncertainties facing the University are described on pages 13 to 15 and have been considered in the University's going concern assessment outlined here.

Repayment of the balance of our European Investment Bank loan in July 2023 (£66.7 million at 31 July 2022) resulted in a reduction in cash balances and a decrease in our, primarily long term, debt. This change in funding arrangements has resulted in the University reporting a net current liability position at 31 July 2023. Given the profile of our current liabilities, including a significant element of deferred income, the University is forecast to have sufficient cash for its projected requirements during the going concern assessment period.

At 31 July 2023, the University held gross cash of £142.7 million (gross cash of £184.1 million at 31 July 2022). At 31 December 2023 the University held £152.2 million of gross cash.

Going concern continued

The only external borrowings of the University at 31 July 2023 were debt with a balance of £55.1 million. These borrowings, not subject to covenant terms, comprised £54.1 million of loans from SFC through their Financial Transactions and Carbon Reduction programmes and £1.0 million funding for various energy efficiency and renewable energy projects funded by Salix Finance Ltd. Between 1 August and 31 December 2023, £2.3 million has been repaid to SFC in accordance with loan agreements. A further £7.3 million of borrowings will be repayable during the going concern period, which runs from the date of approval of these financial statements to 31 July 2025.

The University's going concern assessment included consideration of:

- the current and developing environment in which the University operates;
- the University's liquidity through the assessment period to 31 July 2025 – demonstrated through a detailed monthly cash flow forecast throughout the assessment period;
- key assumptions made by management around the future financial performance of the University, in particular assumptions around:
 - future student intake, in particular overseas students, for both 2023/24 and the following academic year;
 - future SFC grant funding;
 - increases in salary and other operating expenditure;
 - debt recovery; and
 - other key cashflows over the review period.

The University's latest financial forecasts for 2023/24 and 2024/25, 'the Base Case Forecast', formed the basis of the going concern assessment which was subject to scrutiny and approval by the Audit and Risk Committee and Court.

The Base Case Forecast shows that the University will maintain sufficient cash reserves for the period from approval of these financial statements to 31 July 2025 with minimum liquidity of £75.3 million.

In addition, the University has also modelled a severe but plausible downside scenario based on further increases in salary and other operating costs and the possibility of an economic downturn with related impacts on tuition fees, SFC grant funding and recovery of debts. In this scenario, without any mitigating actions, the University forecasts sufficient liquidity to settle all contractual liabilities, while maintaining significant liquidity throughout the going concern assessment period to 31 July 2025. Minimum cash reserves throughout being £41.3 million at 31 July 2025.

Having taken these factors into account, Court considers that the University has adequate resources to continue in operation from the approval of these financial statements until at least 31 July 2025 and for this reason the going concern basis continues to be adopted when preparing the financial statements.

Conclusion

Based on the above noted process, Court is of the view that there were adequate and effective internal controls in place and that there was an adequate and effective process for identifying, evaluating and managing the University's significant risks during the year ended 31 July 2023 and up to the date of signing the Annual Report and Financial Statements.

Dame S Bruce
Convener of Court
25 January 2024



Statement of Primary Responsibilities of the University Court

General

Under the terms of the University Charter, Court is the Governing Body of the University and is responsible for overseeing the management and administration of the whole of the revenue and property of the University. Court exercises general control over the University and all its affairs, purposes and functions, taking all final decisions on matters of fundamental concern to the University. Court is responsible for safeguarding the University's good name and values.

Court's Primary Responsibilities are detailed as follows:

Staff and students

- To be the employing authority for all staff within the University and to make such provision as it thinks fit for their general welfare;
- To appoint the Principal and Vice-Chancellor of the University, including the terms and conditions of such appointment, and to put in place suitable arrangements for the monitoring of his/her performance – both the appointment and monitoring of performance of the Principal shall include consultation with all members of Court;
- To appoint the University Secretary and to ensure that he or she has separate lines of accountability for the provision of services to the Court, for the administration of the University and for the fulfilment of managerial responsibilities within the institution;
- To ensure the quality of educational provision within the University;
- To make such provision as it thinks fit following consultation with the Senate, for the general welfare of its students;

Financial responsibilities

- To ensure the solvency of the University and to safeguard its assets;
- To act as trustee for any property, legacy endowment, bequest or gift in support of the work and welfare of the institution;
- To approve the University's annual financial statements;
- To ensure that proper books of accounts are kept in accordance with all relevant regulations and codes of conduct;
- To ensure the proper use of public funds awarded to the University and to ensure that the terms of the Financial Memorandum with the Funding Council are observed;
- To approve the main annual budgets within the University;
- To ensure appropriate arrangements for the economic, efficient and effective management of the University's resources and expenditure;

Strategic responsibilities

- To approve the mission statement of the University and all its strategic plans including its aims for the teaching and research of the institution and identifying the financial, physical and staff requirements required to achieve these, and for ensuring that these meet the interests of stakeholders;
- To approve a financial strategy for the University, as well as long-term business plans;
- To approve an estates strategy for the management, development and maintenance of the University land and buildings in support of institutional objectives;
- To approve a human resource strategy and to ensure that appropriate development and reward arrangements are in place for the employees and that these are appropriate to the needs of the institution;
- To provide leadership in equality and diversity across all protected characteristics, assuming responsibility for the University's strategy and policy on equality and diversity;

Controls

- To ensure that systems are in place for meeting all the University's legal obligations, including those arising from contracts and other legal commitments made in the University's name;
- To ensure compliance with the University's Charter, Statutes, Ordinances and Regulations, as well as all UK and European legislation where applicable;
- To be responsible for the form, custody and use of the University's Common Seal;
- To make clear and to review regularly the executive authority and other powers delegated to the Convener of Court, the Principal and Vice-Chancellor, to other senior officers and to all bodies of the University including the Senate and committees of Court;

- To ensure that systems are in place for the assessment and management of risk, to regularly review such matters and to conduct an annual assessment;
- To establish and monitor effective systems of internal control and accountability throughout the University;
- To ensure that appropriate arrangements are in place for external and internal audit;
- To ensure that appropriate arrangements are in place for the proper management of health and safety in respect of students, staff and other persons on University premises or affected by University operations;

Monitoring performance and effectiveness

- To monitor the University's performance against its strategic plan and key performance indicators, and to benchmark the University's performance against other comparable institutions;
- To monitor and review the performance and effectiveness of the Court itself and other University committees;
- To ensure, through the appointment of lay members in accordance with the University Statutes, a balance of skills and expertise amongst the membership of Court, such as is required to meet its primary responsibilities;
- To ensure that the proceedings of Court are conducted in accordance with best practice in higher education corporate governance and with the Nine Principles of Public Life in Scotland (which incorporate the original seven "Nolan Principles" drawn up by the Committee on Standards in Public Life);
- To ensure that procedures are in place within the University for dealing with complaints, internal grievances, conflicts of interest and public interest disclosure.

Independent Auditor's Report to the Court of the University of Strathclyde

Opinion

We have audited the financial statements of the University of Strathclyde (the University) for the year ended 31 July 2023 which comprise the Statement of Principal Accounting Policies, Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Balance Sheet, Statement of Cash Flows and the related notes 1 to 28, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the state of the University's affairs as at 31 July 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 14 of the Charities Accounts (Scotland) Regulations 2006; and
- have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education, and relevant legislation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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 University's ability to continue as a going concern for a period to 31 July 2025.

Our responsibilities and the responsibilities of the University Court with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the University's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The University Court is responsible for the other information contained in the annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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

In accordance with the SFC's Financial Memorandum (effective 1 December 2014), we will also report to the University Court whether, in all material respects:

- the requirements of the SFC's accounts direction have been met;
- funds from whatever source administered by the institution for specific purposes have been applied properly 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 SFC have been applied in accordance with the requirements of the SFC Financial Memorandum with Higher Education Institutions.

Matters on which we are required to report by exception

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

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

Responsibilities of the University Court

As explained more fully in the Statement of the University Court's responsibilities set out on pages 42 to 43, the University Court is responsible for the preparation of the financial statements and for being satisfied that give a true and fair view, and for such internal control as the University Court determines 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 University Court is responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the University and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the University and determined that the most significant are FRS 102 and Statement of Recommended Practice for Further and Higher Education.
- We understood how the University is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of the Court minutes and papers provided to the Audit and Risk Committee, as well as consideration of the results of our audit procedures to either corroborate or provide contrary evidence which was then followed up;
- We have considered the culture of honesty and ethical behaviour of management and whether a strong emphasis is placed on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.

- We assessed the susceptibility of the University's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage financial performance. Where this risk was considered higher, we performed audit procedures to address the risk of fraud and management override. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiries of management, those charged with governance and those responsible for legal and compliance procedures; journal entry testing with a focus on journals indicating large or unusual transactions based on our understanding of the business; review of Court minutes to identify any non-compliance with laws and regulations, and inspection of any correspondence between the University and Scottish Funding Council.

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

Use of our report

This report is made solely to the University Court, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the University Court those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University Court as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP, Statutory Auditor

Glasgow

26 January 2024

Statement of Comprehensive Income and Expenditure

for the year ended 31 July 2023

	Note	2023 £M	Restated 2022 £M
Income			
Funding Council grants	2	115.4	115.7
Tuition fees and education contracts	3	136.2	118.2
Research grants and contracts	4	115.8	108.3
Other income	5	110.2	42.5
Investment income	6	7.2	0.9
Donations and endowments	7	2.6	2.2
Total income		487.4	387.8
Expenditure			
Staff costs	8	244.5	231.9
Staff costs: movement on pension provision	8	(38.3)	124.4
Other operating expenses	10	143.9	121.8
Depreciation and amortisation	10	43.7	40.3
Interest and other finance costs	9	8.5	2.0
Total expenditure	10	402.3	520.4
Surplus/(deficit) before other gains and losses		85.1	(132.6)
Gain on investments	11	0.2	1.4
Unrealised deficit on revaluation of investment properties	11	(1.5)	-
Surplus/(deficit) for the year		83.8	(131.2)
Other comprehensive income			
Actuarial gain in respect of pension scheme	22	68.8	38.9
Total comprehensive income and expenditure for the year		152.6	(92.3)
Represented by:			
Endowment comprehensive income for the year		0.5	(0.4)
Unrestricted comprehensive income and expenditure for the year		152.1	(91.9)
		152.6	(92.3)

All income and expenditure of the University relates to continuing operations.
The accompanying notes and policies on pages 54 to 96 form part of these financial statements.

Statement of Changes in Reserves

for the year ended 31 July 2023

	Income and Expenditure Reserve		
	Endowment £M	Unrestricted £M	Total £M
Balance at 1 August 2021	42.1	300.5	342.6
Deficit from the income and expenditure statement	(0.4)	(130.8)	(131.2)
Other comprehensive income	-	38.9	38.9
Total comprehensive income for the year	(0.4)	(91.9)	(92.3)
Balance at 31 July 2022 (Restated)	41.7	208.6	250.3
Surplus from the income and expenditure statement	0.5	83.3	83.8
Other comprehensive income	-	68.8	68.8
Total comprehensive income for the year	0.5	152.1	152.6
Balance at 31 July 2023	42.2	360.7	402.9

Balance Sheet

as at 31 July 2023

	Note	2023 £M	Restated 2022 £M
Non-current assets			
Intangible assets	12	10.1	7.5
Tangible assets	13	452.5	454.7
Investments	14	57.6	54.7
Pension asset	22	99.5	31.2
		619.7	548.1
Current assets			
Surplus assets for disposal		0.4	0.4
Stock		0.4	0.4
Debtors: - amounts falling due within one year	15	37.9	47.0
- amounts falling due after more than one year	15	0.2	4.0
Cash and cash equivalents	21	142.7	184.1
		181.6	235.9
Creditors: amounts falling due within one year	16	(185.4)	(223.1)
Net current (liabilities)/assets		(3.8)	12.8
Total assets less current liabilities		615.9	560.9
Creditors: amounts falling due after more than one year	17	(50.4)	(116.7)
Pension provisions	18	(162.2)	(193.5)
Other provisions	18	(0.4)	(0.4)
Total net assets		402.9	250.3

Balance Sheet

as at 31 July 2023 continued

	Note	2023 £M	Restated 2022 £M
Represented by:			
Restricted reserves			
Income and Expenditure reserve – endowments	19	42.2	41.7
Unrestricted reserves			
Income and Expenditure reserve – unrestricted		360.7	208.6
Total reserves		402.9	250.3

The accompanying notes and policies on pages 54 to 96 form part of these financial statements.

The financial statements were approved by the University Court on 25 January 2024 , and signed on its behalf by:

Professor Sir J McDonald
Principal and Vice-Chancellor

Ms F Salzen
Treasurer

Ms L Noble
Chief Financial Officer

Statement of Cash Flows

for the year ended 31 July 2023

	2023 £M	2022 £M
Net cash inflow from operating activities		
Surplus/(deficit) for the year	83.8	(131.2)
Adjustment for non-cash items		
Depreciation	41.6	38.8
Amortisation	2.1	1.5
Gain on investments	(0.2)	(1.4)
Unrealised deficit on revaluation of investment properties	1.5	-
Increase in stock		(0.1)
Increase in debtors	(1.0)	(2.8)
(Decrease)/increase in creditors	(6.7)	19.6
(Decrease)/increase in pension provision	(37.1)	131.5
Adjustment for investing or financing activities		
Investment income	(7.2)	(1.5)
Interest payable	8.5	2.0
Capital grant income	(77.6)	(17.2)
Net cash inflow from operating activities	7.7	39.2
Cash flows from investing activities		
Proceeds from sale of tangible assets	9.0	6.0
Proceeds from sale of non-current asset investments	4.3	13.2
Capital grant receipts	52.2	59.2
Investment income	7.2	1.5
Payments to acquire tangible assets	(38.5)	(67.0)
Payments to acquire intangible assets	(4.7)	(3.5)
New non-current investments	(7.0)	(11.3)
	22.5	(1.9)

Statement of Cash Flows

for the year ended 31 July 2023 continued

	Note	2023 £M	2022 £M
Cash flows from financing activities			
Interest paid		(2.6)	(1.3)
New unsecured loans		0.7	5.9
Repayments of amounts borrowed		(69.7)	(6.7)
		(71.6)	(2.1)
(Decrease)/increase in cash and cash equivalents	21	(41.4)	35.2
Cash and cash equivalents at 1 August	21	184.1	148.9
Cash and cash equivalents at 31 July	21	142.7	184.1

Notes to the Financial Statements

1. Principal Accounting Policies

Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 SORP), in accordance with applicable Accounting Standards and in accordance with the Accounts Direction issued by the Scottish Funding Council.

Basis of preparation (including going concern assessment)

These financial statements are prepared under the historical cost convention modified by the revaluation of land, investment properties and certain fixed asset investments.

The University's activities, financial performance and financial position, together with factors likely to affect its future development and performance, are described in the Strategic Report as are the University's Treasury Management policies. Emerging and principal risks and uncertainties facing the University are described on pages 13 to 15 and have been considered in the University's going concern assessment outlined here.

Repayment of the balance of our European Investment Bank loan in July 2023 (£66.7 million at 31 July 2022) resulted in a reduction in cash balances and a decrease in our, primarily long term, debt. This change in funding arrangements has resulted in the University reporting a net current liability position at 31 July 2023. Given the profile of our current liabilities, including a significant element of deferred income, the University is forecast to have sufficient cash for its projected requirements during the going concern assessment period.

At 31 July 2023, the University held gross cash of £142.7 million (gross cash of £184.1 million at 31 July 2022). At 31 December 2023 the University held £152.2 million of gross cash.

The only external borrowings of the University at 31 July 2023 were debt with a balance of £55.1 million. These borrowings, not subject to covenant terms, comprised £54.1 million of loans from SFC through their Financial Transactions and Carbon Reduction programmes and £1.0 million funding for various energy efficiency and renewable energy projects funded by Salix Finance Ltd. Between 1 August and 31 December 2023, £2.3 million has been repaid to SFC in accordance with loan agreements. A further £7.3 million of borrowings will be repayable during the going concern period, which runs from the date of approval of these financial statements to 31 July 2025.

The University's going concern assessment included consideration of:

- the current and developing environment in which the University operates;
- the University's liquidity through the assessment period to 31 July 2025 – demonstrated through a detailed monthly cash flow forecast throughout the assessment period;
- key assumptions made by management around the future financial performance of the University, in particular assumptions around:
 - future student intake, in particular overseas students, for both 2023/24 and the following academic year;
 - future SFC grant funding;
 - increases in salary and other operating expenditure;
 - debt recovery; and
 - other key cashflows over the review period.

1. Principal Accounting Policies continued

Basis of preparation (including going concern assessment) continued

The University's latest financial forecasts for 2023/24 and 2024/25, 'the Base Case Forecast', formed the basis of the going concern assessment which was subject to scrutiny and approval by the Audit and Risk Committee and Court.

The Base Case Forecast shows that the University will maintain sufficient cash reserves in the period from approval of these financial statements to 31 July 2025 and will have minimum cash reserves of £75.3 million.

In addition, the University has also modelled a severe but plausible downside scenario based on further increases in salary and other operating costs and the possibility of an economic downturn with related impacts on tuition fees, SFC grant funding and recovery of debts. In this scenario, without any mitigating actions, the University forecasts sufficient liquidity to settle all contractual liabilities, while maintaining significant liquidity throughout the going concern assessment period to 31 July 2025. Minimum cash reserves throughout being £41.3 million at 31 July 2025.

Having taken these factors into account, Court considers that the University has adequate resources to continue in operation from the approval of these financial statements until at least 31 July 2025 and for this reason the going concern basis continues to be adopted when preparing the financial statements.

The University is a public benefit entity and has applied the relevant public benefit requirement of FRS 102.

The financial statements do not include those of the Students' Association because the University does not control its activities or hold dominant influence over policy decisions.

Income recognition

Income from the sale of goods or services is credited to the Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the external customer.

Tuition fees and education contracts

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

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

Grant funding

Grant funding including funding council block grant, 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 on the Balance Sheet and released to income when the conditions are met.

1. Principal Accounting Policies continued

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 applied to the individual endowment fund.

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

- Restricted donations – the donor has specified that the donation must be used for a particular objective.
- Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
- 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.
- Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Capital grants

Capital grants are recognised in income when the University is entitled to the funds and all performance-related conditions have been met.

Accounting for retirement benefits

The University participates in the Universities Superannuation Scheme (USS), the Strathclyde Pension Fund (SPF) and the Scottish Teachers' Superannuation Scheme (STSS). USS is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The SPF and STSS are defined benefit schemes.

The assets of USS and STSS are held in separate trustee administered funds. Because of the mutual nature of the schemes, the schemes' assets are not attributed to individual institutions and scheme-wide contribution rates are set. The University 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 schemes on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee benefits', the University therefore accounts for these schemes as if they were wholly defined contribution schemes. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme.

Since the University has entered into an agreement with USS (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University 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 Statement of Comprehensive Income and Expenditure.

1. Principal Accounting Policies continued

Accounting for retirement benefits continued

SPF is accounted for as a defined benefit scheme. The University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The University recognises a liability for its obligations under the scheme, net of scheme 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 scheme. As a refund from the scheme would only be available if the University were to exit the scheme, any pension asset recognised on the basis of this theoretical right to refund is valued in accordance with the cessation policy within SPF's Funding Strategy Statement.

Scheme liabilities which are considered 'unfunded', in that future benefits to members do not have matching assets to fund payments in the future, are accounted as separate liabilities irrespective of the overall net position of the scheme.

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.

Operating leases

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

Foreign currencies

Transactions denominated in foreign currencies are translated to sterling at the rate of exchange ruling at the date of the transactions. Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial year, with all the resulting exchange differences being taken to the Statement of Comprehensive Income and Expenditure in the year in which they arise.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated to sterling using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to sterling at foreign exchange rates ruling at the dates the fair value was determined.

Intangible assets

Software which is not integral to the operation of any hardware with which it has been purchased is recorded as an intangible asset and is amortised over five to ten years representing the remaining economic useful life of the assets.

Research and development costs are written off to the Statement of Comprehensive Income and Expenditure as incurred.

Tangible fixed assets

Tangible fixed assets, excluding investment properties, are stated at cost less accumulated depreciation and accumulated impairment losses. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Certain items of tangible fixed assets that had been revalued to fair value on or prior to the date of transition to the previous SORP in 2015 are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

1. Principal Accounting Policies continued

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 measured initially at cost and subsequently at fair value with movements recognised in the Statement of Comprehensive Income and Expenditure. Investment properties are not depreciated but are revalued or reviewed annually according to market conditions at 31 July each year.

Land and buildings

Land which is held freehold is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated over their expected useful lives of up to 50 years. Leasehold land and buildings are depreciated over the life of the lease up to a maximum of 50 years. Alterations and additions to buildings are depreciated over the expected useful life of the work carried out.

Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to 31 July. The buildings are not depreciated until they are brought into use.

Costs incurred in relation to a tangible fixed asset, after its initial purchase or production, are capitalised to the extent that they increase the expected future benefits to the University.

Equipment

Equipment, including personal computers and software, costing less than £10,000 per individual item or group of related items, is recognised as expenditure in the year of acquisition. All other equipment is capitalised. Capitalised equipment is stated at cost and depreciated over its expected useful economic life, as follows:

General equipment - 5 years

Equipment acquired for specific research projects - 2 years

Where equipment is part of a capital project, it may be depreciated over periods of between five and ten years.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Heritage assets

Works of art and items of historical interest are not recognised, since reliable cost information is not available for items acquired many years ago and significant costs are involved in arriving at valuations.

Surplus assets for disposal

Surplus assets for disposal are land and buildings which are no longer in use by the University and which the University is committed to sell and not replace. These assets are valued at the lower of carrying amount and net realisable value.

Repairs and maintenance

Expenditure to ensure that a tangible fixed asset maintains its previously assessed standard of performance is recognised in the Statement of Comprehensive Income and Expenditure in the period it is incurred. The University has a planned maintenance programme, which is reviewed on an annual basis.

Investments

All investments are initially recognised at cost and subsequently measured at fair value at each Balance Sheet date. Where fair value cannot be reliably measured or investments are not publicly traded (spin out and spin in companies), they are measured at cost less impairment.

1. Principal Accounting Policies continued

Investments continued

All gains and losses on investment assets, both realised and unrealised, are recognised in the Statement of Comprehensive Income and Expenditure as they arise.

Stock

Stocks for maintenance, catering and central stationery are valued at the lower of cost and selling price less costs to sell. Departmental stocks are charged to the Statement of Comprehensive Income and Expenditure in the year of purchase.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when the University has a present, legal, or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is discounted to present value where the time value of money is material. The discount rate used reflects current market assessments of the time value of money and reflects any risks specific to the liability.

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

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

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the Notes to the Financial Statements.

Cash and cash equivalents

Cash includes cash in hand, cash at bank, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are 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.

Taxation status

The University has charitable status and is recorded on the index of charities maintained by the Office of the Scottish Charity Regulator (Charity No. SC015263). The University is an exempt charity within the meaning of Part 1, Chapter 2, Section 7 of the Charities and Trustee Investment (Scotland) Act 2005, and is considered to pass the tests set out in Paragraph 1 of Schedule 6 to the Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation tax purposes.

Accordingly, the University is exempt from taxation in respect of income or capital gains received within categories covered by Section 287 of the Corporation Tax Act 2009 and Sections 471 and 478 – 488 of the Corporation Tax Act 2010 (formerly enacted in Section 505 of the Taxes Act 1988) 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.

Reserves

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

1. Principal Accounting Policies continued

Accounting estimates and judgements

In the application of accounting policies, management are required to make judgements, estimates and assumptions about the carrying amount 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 and are reviewed on an ongoing basis. 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.

The following are the key assumptions and estimates that management have made in the process of applying the University's accounting policies and that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Critical accounting estimates

- Pensions liabilities – Assumptions used in the calculation of the USS deficit and the SPF pension provisions represent a source of significant estimation. The key assumptions made in deriving these figures are explained in detail in Notes 18 and 22.
- Fixed assets lives and impairment – Management determines the most appropriate useful life of assets, over which period the value of an asset is depreciated. Management assesses whether any indicators of impairment are present for any of the University's assets and the likelihood of proposed capital projects proceeding beyond the feasibility stage.

Significant judgements

- Revenue recognition – As outlined in the income recognition accounting policy above, certain grants and donations are recognised as income when the University is entitled to the income and performance conditions have been met. Management applies judgement in deferring income received for conditions not yet satisfied and accruing income due but not yet received.
- Multi-employer pension schemes – The University considers the Universities Superannuation Scheme (USS) and the Scottish Teachers' Superannuation Scheme (STSS) to be multi-employer schemes, as defined by FRS 102, and accounts for these schemes as if they were wholly defined contribution schemes.
- Pension asset recognition – the extent to which any net pension asset can be recognised is subject to a number of significant assumptions which may be subject to material changes on an annual basis. Firstly, the basis for the initial valuation of the net pension asset on an FRS 102 basis is subject to both valuation assumptions on the asset side of the scheme and actuarial assumptions on the liability side of the scheme, such as discount rate and inflation assumptions going forward. Both these assumptions may change significantly and result in material net changes to the surplus or deficit on the scheme. Secondly, the extent to which the University has a right to recover the surplus through a potential refund from the scheme can change materially as a result of changes to the cessation policy within SPF's Funding Strategy Statement, which may impact the actual net asset recorded in the balance sheet.

Prior year restatement

In accordance with the accounting policies, where the present value of defined benefit obligations less the fair value of plan assets 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 scheme.

In the 2021/22 financial statements, the University assessed the recoverability of the SPF asset on this basis and determined that it was appropriate that, in line with the requirements of FRS 102, the plan surplus in 2022 should not be recognised.

There has subsequently been a greater prevalence of pension surpluses in Local Government Pension Schemes, with examples of some employers ceasing participation in schemes and receiving an exit refund, and greater scrutiny by the accounting profession on the interpretation of the accounting for a plan surplus as a defined benefit plan asset

The University has taken independent accounting advice and has now concluded that, as it has a theoretical right to refund if it were to cease participation in the scheme, it is appropriate to recognise a pension asset valued in accordance with the cessation policy within SPF's Funding Strategy Statement.

1. Principal Accounting Policies continued

Prior year restatement continued

The prior year balances have been restated accordingly, with the following impact on the relevant balances:

- 2022 Pension asset – increase of £31.2 million from £Nil to £31.2 million.
- 2022 Actuarial gain – increase of £31.2 million from £7.7 million to £38.9 million.

All impacted notes have been disclosed as restated.

Legal form

The University is a body corporate established in Scotland by Royal Charter in 1962.

2. Funding Council grants

	2023 £M	2022 £M
Recurrent grants		
General Fund – Teaching	72.3	71.5
General Fund – Research and Innovation	28.0	25.6
Capital grants	6.5	4.3
Total recurrent grants	106.8	101.4
Additional COVID-19 funding		
Revenue grants	-	4.7
Total additional COVID-19 funding	-	4.7
Other specific grants		
Strategic funding	5.0	7.5
Ring-fenced grants funded by Scottish Government	3.6	2.1
Total specific grants	8.6	9.6
	115.4	115.7

Income from capital grants includes £0.4 million in respect of capital grants released from deferred income in 2023 (2022: £0.2 million) following the completion of the relevant performance conditions in the year.

Included within deferred income are the following grants that have been received but which had not been recognised in income at 31 July as performance conditions had not yet been met:

	2023 £M	2022 £M
Capital grants	-	0.4
Strategic funding	2.3	4.1

3. Tuition fees and education contracts

	2023 £M	2022 £M
Scotland home domicile fees	32.6	36.0
EU domicile fees	3.6	4.0
RUK domicile fees	9.3	8.0
Non-EU domicile fees	77.7	58.6
Non-credit bearing course fees	5.5	4.1
Education contracts	0.6	1.0
Other contracts	6.9	6.5
	136.2	118.2

4. Research grants and contracts

	2023 £M	2022 £M
UK Research and Innovation	29.9	26.2
UK based charities	5.8	5.9
European Commission	6.3	6.7
Other grants and contracts	63.2	57.6
Capital grants	10.6	11.9
	115.8	108.3

Income from capital grants includes £2.4 million in respect of capital grants released from deferred income in 2023 (2022: £3.0 million) following the completion of the relevant performance conditions in the year.

Included within deferred income are the following grants that have been received but which had not been recognised in income at 31 July as performance conditions had not yet been met:

	2023 £M	2022 £M
Capital grants - government	10.8	10.3
Revenue grants - government	14.6	15.3
Other revenue grants and non-exchange transactions	4.8	13.8

5. Other income

	2023 £M	2022 £M
Residences and catering	11.4	8.2
Other services rendered	25.0	22.2
Capital grants	60.5	1.0
Other revenue grants	0.1	0.2
Royalty income	1.0	1.2
Accommodation charges and rental income	3.3	3.1
Other income	8.9	6.6
	110.2	42.5

Income from capital grants includes £56.9 million in respect of capital grants released from deferred income in 2023 (2022: £0.2 million) following the completion of the relevant performance conditions in the year.

Included within deferred income are the following grants that have not been recognised in income at 31 July as performance conditions had not yet been met:

	2023 £M	2022 £M
Capital grants - government	3.3	57.7
Capital grants - other	28.0	0.3

6. Investment income

	2023 £M	2022 £M
Investment income on endowments	0.8	0.7
Other investment income	6.1	0.2
Interest receivable	0.3	-
	7.2	0.9

7. Donations and endowments

	2023 £M	2022 £M
Donations with restrictions	1.2	1.0
Unrestricted donations	1.4	1.2
	2.6	2.2

8. Staff costs

	Note	2023 £M	2022 £M
Wages and salaries		186.0	172.2
Social security costs		19.3	17.7
Other pension costs	22	39.2	42.0
		244.5	231.9
Movement on pension provision	18	(38.3)	124.4
Total staff costs		206.2	356.3

	2023 Number	2022 Number
Average staff numbers by major category		
Academic	1,423	1,367
Professional Services	1,742	1,610
Research	555	555
Operational	708	709
	4,428	4,241

	2023 £000	2022 £000
Total remuneration of the Principal and Vice-Chancellor including pension contributions was:		
Remuneration	330	321
Other payments in lieu of employer's pension contribution	71	68
	401	389

8. Staff costs continued

The University's contributions to the Universities Superannuation Scheme in respect of the Principal's pension are paid at the same rates as for other staff. The Principal has ceased to pay pension contributions into the Universities Superannuation Scheme and the University's contributions to the pension scheme were paid to the Principal as salary on an equivalent basis.

The Principal's remuneration (excluding other payments in lieu of employer's pension contributions) is 8.34 times the median pay of University employees (2022: 8.56), where the median pay is based on the annualised full-time equivalent remuneration of all staff at the reporting date. In accordance with the CUC Remuneration Code, this pay ratio calculation follows the UCEA methodology, with total pay including the remuneration of the Principal, as noted above, but excludes payments in lieu of employer's pension contributions and other benefits.

The median pay does not include agency and temporary staff employed by the University in the period, based on management's assessment that the adjustment to the disclosure would be immaterial to the overall calculation and is too onerous to create. It should be noted that, as a People Oriented organisation, all of the University's operational support staff, including catering and cleaning staff, are employees of Strathclyde. The University's deliberate and value-led decision to maintain in-house services results in the median pay ratio being higher than would be the case in other organisations where such key services are outsourced.

The number of staff, including senior post holders other than the Principal, who received emoluments in excess of £100,000, excluding employer's pension contributions, are set out in the following table. The figures shown in the ranges below include payments in lieu of pension contributions for individuals who have opted out of the Universities Superannuation Scheme.

8. Staff costs continued

	2023			2022		
	Senior	Other	Total	Senior	Other	Total
£100,001 - £110,000	1	30	31	1	23	24
£110,001 - £120,000	1	20	21	6	19	25
£120,001 - £130,000	4	15	19	1	7	8
£130,001 - £140,000	3	4	7	1	4	5
£140,001 - £150,000	2	9	11	-	5	5
£150,001 - £160,000	1	2	3	3	1	4
£160,001 - £170,000	-	-	-	1	4	5
£170,001 - £180,000	-	-	-	1	1	2
£180,001 - £190,000	1	1	2	-	-	-
£190,001 - £200,000	1	-	1	-	-	-
£200,001 - £210,000	-	1	1	-	1	1
£250,001 - £260,000	-	-	-	-	1	1
£260,001 - £270,000	-	-	-	1	-	1
£290,001 - £300,000	1	-	1	-	-	-
	15	82	97	15	66	81

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel.

	2023 £M	2022 £M
Key management personnel compensation	3.0	2.7
	2023 Number	2022 Number
Number of posts included in key management personnel	15.4	16.0

Key management personnel compensation includes remuneration and all employee benefits including employer pension contributions.

Key management personnel are defined as members of the Executive Team. Membership of the Executive Team comprises: the Principal and Vice-Chancellor, the Vice-Principal, the Executive Deans, the Associate Principals, the Chief Financial Officer, the Chief Commercial Officer, the University Secretary & Compliance Officer (until 31 March 2022), the University Secretary (from 6 June 2022) the University Compliance Officer (from 1 April 2022), the Chief People Officer (Director of Human Resources until 1 March 2022), the Director of Strategic Planning and the Chief Digital and Information Officer.

8. Staff costs continued

Payments in respect of compensation for loss of office are provided in the financial statements in the year of termination of office. The aggregate compensation for loss of office of staff whose earnings are more than £100,000 per annum or where the costs of all elements of a proposed arrangement amount to more than £100,000 was:

	2023 £000	2022 £000
Compensation paid	170	-

	2023 Number	2022 Number
Number of payments	2	-

9. Interest and other finance costs

	2023 £M	2022 £M
Loan interest	2.2	1.4
Finance charge of USS pension deficit	6.3	0.6
	8.5	2.0

10. Analysis of expenditure by activity

	Staff costs £M	Other operating expenses £M	Interest and other finance costs £M	Total 2023 £M	Total 2022 £M
Academic departments	129.4	16.3	-	145.7	134.2
Academic support services	15.3	10.1	-	25.4	23.6
Research grants and contracts	37.0	32.3	-	69.3	63.9
Administration and central services	29.7	9.7	-	39.4	35.9
General educational expenditure	0.8	24.4	-	25.2	21.6
Residences and catering	4.8	6.7	-	11.5	6.9
Premises	13.0	29.8	-	42.8	36.7
Other income generating activities	10.8	9.7	-	20.5	19.1
Movement on pension provision	(38.3)	-	-	(38.3)	124.4
Other expenses	3.7	4.9	8.5	17.1	13.8
	206.2	143.9	8.5	358.6	480.1

Depreciation	41.6	38.8
Amortisation	2.1	1.5

Total per income and expenditure account **402.3** **520.4**

Other operating expenses include the following external auditor's remuneration:

	2023 £000	2022 £000
Audit services	133.4	107.0
Non-audit services:		
Audit related assurance services	13.7	20.0
Other non-audit services*	42.0	-
Total non-audit services	55.7	20.0

* Other non-audit services, approved in accordance with the University's non-audit services policy, were support for a treasury review.

11. Other gains and losses

	2023 £M	2022 £M
Gain on investments	0.2	1.4
Unrealised deficit on revaluation of investment properties	(1.5)	-

12. Intangible assets

	£M
Cost	
At 1 August 2022	11.1
Additions	4.7
At 31 July 2023	15.8
Amortisation	
At 1 August 2022	3.6
Amortisation charge	2.1
At 31 July 2023	5.7
Net book value at 31 July 2023	10.1
Net book value at 31 July 2022	7.5

13. Tangible assets

	Investment properties £M	Land and Buildings			Equipment £M	Total £M
		Freehold £M	Long leasehold £M	Assets under construction £M		
Cost						
At 1 August 2022	9.4	633.1	15.6	53.3	86.5	797.9
Additions	-	9.9	-	5.5	25.5	40.9
Transfers	-	57.7	-	(57.7)	-	-
Disposals	-	-	-	-	(14.3)	(14.3)
Revaluation	(1.5)	-	-	-	-	(1.5)
At 31 July 2023	7.9	700.7	15.6	1.1	97.7	823.0
Depreciation						
At 1 August 2022	-	274.7	14.0	-	54.5	343.2
Charge for year	-	23.6	0.7	-	17.3	41.6
Disposals	-	-	-	-	(14.3)	(14.3)
At 31 July 2023	-	298.3	14.7	-	57.5	370.5
Net book value at 31 July 2023	7.9	402.4	0.9	1.1	40.2	452.5
Net book value at 31 July 2022	9.4	358.4	1.6	53.3	32.0	454.7

13. Tangible fixed assets continued

At 31 July 2023, freehold land and buildings included £30.4 million (2022: £30.4 million) in respect of freehold land which is not depreciated.

Buildings with a net book value of £380.9 million and cost of £660.3 million have been funded in part or in whole from public funds. Should these particular buildings be sold, the University would have to surrender the relevant proceeds or use them in accordance with the Financial Memorandum with the Scottish Funding Council.

The investment properties were revalued on the basis of market value at 31 July 2023 by an external valuer, Ryden LLP, in accordance with Royal Institution of Chartered Surveyors' (RICS) professional standards. The valuer has estimated the fair value of the property on the basis of a number of assumptions regarding the condition of the property and an equivalent yield of 9.49% (2022: 7.97%).

The historic cost of investment properties held at fair value is as follows:

	2023 £M	2022 £M
At 1 August	9.6	9.6
At 31 July	9.6	9.6

Heritage assets are not recognised in the financial statements. The University's heritage assets comprise over 1,000 works of art, around 400 historical scientific instruments, some 35 special collections of rare printed and manuscript materials, historical archives (including the University's own archives and some 30 other archive collections), and silverware and other ceremonial items. The ages of the items range from the 15th century to the present day.

The artwork collection is mainly displayed in University buildings across the campus, while the historical scientific instrument collection is available for viewing by appointment. The book/manuscript collections and archives are used for consultation purposes. The ceremonial assets are used for occasions such as graduations. No material acquisitions occurred in the period, and there were no disposals.

14. Fixed asset investments

	2023 £M	2022 £M
At 1 August	54.7	55.2
Additions	8.3	9.7
Disposals	(4.5)	(10.5)
Increase/(decrease) in market value of investments	0.4	(1.2)
(Decrease)/increase in cash balances	(1.3)	1.5
At 31 July	57.6	54.7
Represented by:		
Fixed interest investments (listed)	6.6	6.2
Equities (listed)	40.4	39.3
Cash at bank	2.9	4.2
Spin out and spin in company investments	7.7	5.0
	57.6	54.7

Investments are stated at market value apart from investments in projects emanating from the University's research activities which are considered to merit commercial development (spin out company investments) and spin in company investments whose growth depends on knowledge-based collaboration with the University. Such investments are stated at the lower of cost and net realisable value.

The University's subsidiary undertakings are:

	%	Main
	Holding	activity
Strathclyde University Incubator Limited	100	Incubator for technology-based business
University of Strathclyde Singapore Hub PTE Limited	100	Administration and support services
University of Strathclyde Properties Limited	100	Dormant
Haleno Limited	100	Dormant
SGBS Limited	100	Dormant

The financial statements of these subsidiary undertakings have not been consolidated with those of the University on the basis that the amounts involved are not material.

15. Debtors

	2023 £M	2022 £M
Amounts falling due within one year:		
Debtors	16.9	16.5
Prepayments and accrued income	21.0	30.5
	37.9	47.0
Amounts falling due after more than one year:		
Prepayments and accrued income	0.2	4.0
	38.1	51.0



16. Creditors: amounts falling due within one year

	2023 £M	2022 £M
Unsecured loans	4.7	7.4
Creditors	29.8	26.1
Social security and other taxation payable	5.1	4.8
Accruals	15.9	20.5
Deferred income	129.9	164.3
	185.4	223.1

Deferred income

Included within deferred income are the following items of income which have been deferred until specific performance conditions have been met:

	2023 £M	2022 £M
Donations	25.3	25.4
Research grants received on account	22.7	34.0
Grant income	44.5	72.7
Other income	37.4	32.2
	129.9	164.3

17. Creditors: amounts falling due after more than one year

	2023 £M	2022 £M
Analysis of unsecured loans		
Due within one year or on demand	4.7	7.4
Due between one and two years	4.6	8.7
Due between two and five years	13.6	29.0
Due in five years or more	32.2	79.0
	55.1	124.1
Due within one year or on demand	(4.7)	(7.4)
Due after more than one year	50.4	116.7

At 31 July 2023, balances outstanding on unsecured loans repayable by instalments were:

	Interest details	Repayable	£M
Scottish Funding Council			
Financial Transactions	0.25% fixed	2024-2029	9.8
Financial Transactions	0.25% fixed	2020-2029	0.6
Financial Transactions	0.25% fixed	2020-2030	1.7
Financial Transactions	0.25% fixed	2020-2035	0.7
Financial Transactions	0.25% fixed	2020-2030	6.7
Financial Transactions	0.25% fixed	2022-2042	9.3
Financial Transactions	0.25% fixed	2023-2041	5.9
Financial Transactions	0.25% fixed	2023-2031	2.7
Financial Transactions	0.25% fixed	2023-2031	0.3
Financial Transactions	0.25% fixed	2023-2041	9.9
Financial Transactions	0.25% fixed	2022-2042	5.6
Financial Transactions	1.00% fixed	2023-2043	0.7
Carbon Reduction	Interest free	2018-2025	0.2
			54.1

The University has interest free loans totalling £1.0 million (2022: £1.0 million) from Salix Finance Ltd which are partially repayable in five years or more. The dates and quantum of repayments are wholly dependent upon the timing of expenditure and savings related to various energy efficiency and renewable energy projects funded by these loans, which require matched funding by the University.

18. Provisions for liabilities

	Obligation to fund deficit on USS pension £M	Other pension provisions £M	Total pension provisions £M	Other provisions £M	Total £M
At 1 August 2022	189.1	4.4	193.5	0.4	193.9
Utilised in year	(9.1)	(0.8)	(9.9)	-	(9.9)
Additions in year	6.3	1.5	7.8	-	7.8
Unused amounts reversed in year	(29.2)	-	(29.2)	-	(29.2)
At 31 July 2023	157.1	5.1	162.2	0.4	162.6

Obligation to fund deficit on USS pension

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to make deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Deficit recovery contributions due within one year for the University are £10.1 million (2022: £9.8 million).

Key assumptions are set out below and further information is provided in Note 22.

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires deficit payments of 6.2% of salaries over the period 1 April 2022 to 31 March 2024 then 6.3% over the period 1 April 2024 to 31 March 2038. The 2022 deficit recovery liability reflects this plan.

The major assumptions used to calculate the obligation are:

	2023	2022
Discount rate	5.49%	3.33%
Salary growth (average inflationary and staff changes over the remainder of the recovery plan)	6.44%	6.40%

The 2023 valuation was finalised in December 2023 and revealed a surplus of assets, when measured against the Scheme's technical provisions. A new schedule of contributions has been agreed, which has no requirement for continued deficit recovery contributions.

The finalisation of the 2023 valuation is considered a non-adjusting event for these financial statements. As there is no requirement for continued deficit recovery contributions in the 2023 valuation, the balance of the deficit recovery provision will be released in the 2023/24 financial statements.

18. Provisions for liabilities continued

Sensitivity analysis

As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision at 31 July 2023 are set out below:

Change in assumptions	Approximate impact
0.5% p.a. decrease in discount rate	£5.7 million increase
0.5% p.a. increase in discount rate	£5.5 million decrease
0.5% p.a. increase in salary inflation over duration	£6.2 million increase
0.5% p.a. increase in salary inflation year 1 only	£0.7 million increase
0.5% increase in staff changes over duration	£5.9 million increase
0.5% increase in staff changes year 1 only	£0.7 million increase

Other pension provisions

Other pension provisions include £1.5 million (2022: £Nil) in respect of unfunded pensions in the Strathclyde Pension Fund (further information is provided in Note 22) and £3.6 million (2022: £4.4 million) in respect of an obligation in respect of former employees who have retired and for whom an enhanced pension has been provided.

The pension enhancements liability continues throughout the retirement period and is assessed by independent actuarial valuation. The principal assumptions are a discount rate of 5.3% (2022: 3.4%) and pension increases of 2.9% (2022: 2.9%).

19. Endowments

	Unrestricted permanent £M	Restricted permanent £M	Total permanent £M	Restricted expendable £M	2023 total £M	2022 total £M
At 1 August						
Capital	7.3	29.5	36.8	-	36.8	37.3
Accumulated income	-	3.7	3.7	1.2	4.9	4.8
	7.3	33.2	40.5	1.2	41.7	42.1
Investment income	0.1	0.7	0.8	-	0.8	0.7
Expenditure	(0.1)	(0.4)	(0.5)	-	(0.5)	(0.6)
	-	0.3	0.3	-	0.3	0.1
Increase/(decrease) in market value of investments	0.2	-	0.2	-	0.2	(0.5)
At 31 July	7.5	33.5	41.0	1.2	42.2	41.7
Represented by:						
Capital	7.5	29.5	37.0	-	37.0	36.8
Accumulated income	-	4.0	4.0	1.2	5.2	4.9
	7.5	33.5	41.0	1.2	42.2	41.7

Analysis by type of purpose

	Unrestricted permanent £M	Restricted permanent £M	Total permanent £M	Restricted expendable £M	2023 total £M	2022 total £M
Scholarship	2.5	11.4	13.9	0.3	14.2	13.8
Chair	-	2.0	2.0	-	2.0	2.0
Entrepreneurship	-	6.9	6.9	0.3	7.2	7.5
Lectureships	-	1.4	1.4	0.3	1.7	1.7
Prizes	-	1.8	1.8	-	1.8	1.7
Research support	-	8.2	8.2	0.2	8.4	8.2
General	5.0	1.8	6.8	0.1	6.9	6.8
	7.5	33.5	41.0	1.2	42.2	41.7

19. Endowments continued

Major Endowments

Restricted permanent endowments include four major individual funds:

- T B Hunter Charitable Trust – Endowed to support the ongoing development of entrepreneurship education.
- Sir David S Anderson Trust – Bequest to be used in the field of Science and Engineering by inviting distinguished persons from institutions in Europe or America to visit the University to take an active part in teaching and/or research or to send University staff abroad to acquire knowledge which might not be available in this country.
- Glaxo – Endowed to provide monies to establish two ‘Jack Research Fellowships’ for advanced study in any field of science related to the discovery of new drugs.
- Robertson Trust – Endowed to provide for a Chair of Bioprocessing Technology.

The movements of these funds for the year were as follows:

	T B Hunter Charitable Trust £M	Sir David S Anderson Trust £M	Glaxo £M	Robertson Trust £M
At 1 August 2022	6.9	2.1	2.4	2.0
Investment income	0.2	-	-	-
Expenditure	(0.2)	-	-	-
(Decrease)/increase in market value of investments	(0.2)	0.1	(0.1)	-
At 31 July 2023	6.7	2.2	2.3	2.0

	2023 £M	2022 £M
Analysis by asset:		
Current and non-current asset investments	34.3	33.2
Cash and cash equivalents	7.9	8.5
	42.2	41.7
Cash and cash equivalents comprise:		
Cash held at Investment Manager	2.2	3.1
Cash held at University	5.7	5.4
	7.9	8.5

20. Capital commitments

	2023 £M	2022 £M
Commitments contracted at 31 July	3.6	4.2

21. Reconciliation of net funds

	£M			
Net funds at 1 August 2022	60.0			
Movement in cash and cash equivalents	(41.4)			
New unsecured loans	(0.7)			
Repayments of amounts borrowed	69.7			
Net funds at 31 July 2023	87.6			
	At 1 August 2022 £M	Cash flow £M	Non-cash changes £M	At 31 July 2023 £M
Cash and cash equivalents	184.1	(41.4)	-	142.7
Loans due within one year	(7.4)	7.4	(4.7)	(4.7)
Loans due after more than one year	(116.7)	61.6	4.7	(50.4)
	60.0	27.6	-	87.6

22. Pension schemes

The University participates in three defined benefit schemes: the Universities Superannuation Scheme (USS), the Strathclyde Pension Fund (SPF) and the Scottish Teachers' Superannuation Scheme (STSS).

Pension contributions

	Note	2023 £M	2022 £M
USS		31.6	29.4
SPF		7.5	12.5
STSS		0.1	0.1
	8	39.2	42.0

With the exception of SPF the University has, as permitted by FRS 102, accounted for these schemes as though they were defined contribution schemes and the costs recognised within the University's Statement of Comprehensive Income and Expenditure is equal to the contributions payable to the schemes in the year.

	2023 £M	2022 £M
Outstanding contributions at 31 July were:		
USS	2.7	2.5
SPF	0.5	0.4
	3.2	2.9

22. Pension schemes continued

Universities Superannuation Scheme

The employer contributions charged to the Statement of Comprehensive Income and Expenditure were £31.6 million (2022: £29.4 million).

The latest available full actuarial valuation of the Retirement Income Builder Section of the Scheme is at 31 March 2020 ('the valuation date'), which was carried out using the projected unit method.

Since the University cannot identify its share of the 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 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 <https://www.uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles>.

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 assumptions used relate 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:

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% p.a. for females

22. Pension schemes continued

The current life expectancies on retirement at age 65 are:

	2023	2022
Males currently aged 65	24.0 years	23.9 years
Females currently aged 65	25.6 years	25.5 years
Males currently aged 45	26.0 years	25.9 years
Females currently aged 45	27.4 years	27.3 years

Details of the University's contractual obligation to make deficit payments in accordance with the deficit recovery plan are set out in Note 18.

Strathclyde Pension Fund

The University participates in the Strathclyde Pension Fund (SPF), a local government pension scheme, which provides benefits based on final pensionable salary for employees of local government and some other institutions including the University. The University believes that sufficiently robust information is available to enable each institution's share of the underlying assets and liabilities of the scheme to be identified on a consistent and reasonable basis and the scheme is accounted for as if it were a defined benefit scheme.

SPF is an externally funded, multi-employer, defined benefits scheme. The last full valuation was carried out at 31 March 2020 by a qualified independent actuary. The results below are based on rolling forward the previous valuation results to 31 July 2023.

22. Pension schemes continued

The major assumptions used by the actuary at the beginning and end of the financial year were as follows:

	2023	2022
Rate of increase of salaries (see Note a)	4.55%*	3.50%**
Rate of increase in pensions in payment (see Note b)	3.05%	3.15%
Discount rate	5.10%	3.45%

(a) * The salary increase assumption is 6.23% for the year to 31 July 2024, 6.00% for the year to 31 July 2025, and CPI plus 0.7% thereafter.

** The salary increase assumption is 4.1% for the year to 31 July 2023, 3.7% for the year to 31 July 2024, 2.7% for the year to 31 July 2025 and CPI plus 0.7% thereafter.

(b) The year end liability is calculated to include an estimated uprating of current and deferred pension benefits in relation to the estimated pension increase order for the scheme.

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescales covered, may not necessarily be borne out in practice. The assumptions noted above relate to expectations across the duration of the scheme and therefore are based on longer-term estimations.

The current mortality assumptions include a sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are as follows:

	2023	2022
Current Pensioners		
Males	19.1 years	19.6 years
Females	22.0 years	22.4 years
Future Pensioners		
Males	20.3 years	21.2 years
Females	23.9 years	24.7 years

The fair values of the University's share of the assets and liabilities in the scheme were measured in accordance with the requirements of Section 28 of FRS 102 'Employee benefits' and the expected rates of return were as follows.

The expected return on assets has been derived as the weighted average of the expected returns from each of the main asset classes.

22. Pension schemes continued

	2023 £M	2022 £M	2021 £M
Equities	165.7	163.7	179.0
Bonds	77.4	73.6	65.1
Property	27.6	30.0	24.4
Cash	5.5	5.5	2.7
	276.2	272.8	271.2

Weighted average expected rate of return	5.00%	3.45%	1.55%
--	-------	-------	-------

	2023 £M	Restated 2022 £M
--	------------	------------------------

Analysis of the amount shown in the Balance Sheet for SPF defined benefit funded obligation

Scheme assets	276.2	272.8
Scheme liabilities (on an ongoing basis)	(164.9)	(203.2)
Less share of net asset not recognised under FRS 102	(11.8)	(38.4)

Pension asset	99.5	31.2
----------------------	-------------	-------------

Separate to the surplus position outlined for the scheme's net asset above, the University recognises a liability of £1.5 million (Note 18) in respect of those obligations which are unfunded at 31 July 2023, and as such should not be netted off against the scheme's assets held at the balance sheet date.

	2023 £M	2022 £M
--	------------	------------

Analysis of the amount included in operating expenditure

Current service cost	7.5	12.4
Past service cost (including curtailments)	-	0.1

	7.5	12.5
--	------------	-------------

Analysis of the amount charged to interest payable

Interest cost	7.0	4.0
Expected return on assets	(7.0)	(4.0)

Net charge to interest and other finance costs	-	-
---	----------	----------

22. Pension schemes continued

	2023 £M	Restated 2022 £M
Analysis of Other Comprehensive Income for SPF pensions		
Actual return less expected return on scheme assets	(5.3)	(1.5)
Gains on scheme liabilities	45.1	60.2
less movement in actuarial gain not recognised under FRS 102	29.0	(19.8)
Total gain recognised via Statement of Comprehensive Income and Expenditure during year	68.8	38.9
	2023	2022
History of experience gains and losses		
Difference between the expected and actual returns on assets (£M)	(5.3)	(1.5)
Percentage of scheme assets	(1.9)%	(0.5)%
Gains on scheme liabilities (£M)	45.1	60.2
Percentage of scheme liabilities	27.1%	29.6%
Total amount recognised in Other Comprehensive Income (£M)	68.8	38.9
Percentage of scheme liabilities	41.7%	19.1%

The contribution rate payable by the University was 22.1% of pensionable salary (2022: 22.1%).

22. Pension schemes continued

	2023 £M	2022 £M
Movements in present value of defined benefit obligations		
Present value of obligations at 1 August	203.2	252.9
Current service cost (net of member contributions)	7.5	12.4
Past service cost (including curtailments)	-	0.1
Interest cost	7.0	4.0
Actuarial gains	(45.1)	(60.2)
Contributions by members	1.4	1.2
Estimated unfunded benefits paid	(0.1)	(0.1)
Benefits paid	(7.5)	(7.1)
At 31 July	166.4	203.2
	2023 £M	2022 £M
Movements in fair value of plan assets		
At 1 August	272.8	271.2
Expected return on plan assets	7.0	4.0
Actuarial (losses)	(2.9)	(1.2)
Contributions by the employer	5.4	4.7
Contributions in respect of unfunded benefits	0.1	0.1
Contributions by members	1.4	1.2
Unfunded benefits paid	(0.1)	(0.1)
Benefits paid	(7.5)	(7.1)
At 31 July	276.2	272.8

The above movements in plan assets and liabilities result in a net asset of £109.8 million at 31 July 2023 (2022: £69.6 million). In accordance with the accounting policies, 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 scheme. The extent to which the University can recover an asset through reduced contributions in the future is exhausted this year by the projected current service costs going forward being lower than currently agreed contributions. The pension asset recognised at the balance sheet date has been valued in accordance with the cessation policy in the SPF Funding Strategy Statement. This reflects the University's theoretical right to receive a refund should it ever elect to exit the scheme.

22. Pension schemes continued

Scottish Teachers' Superannuation Scheme

The University participates in the Scottish Teachers' Superannuation Scheme (STSS). The scheme is an unfunded statutory public service pensions scheme with benefits underwritten by the UK Government.

The scheme is financed by payments from employers and those current employees who are members of the scheme. The contributions paid into the scheme fall into general government revenues. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2016. The results of the valuation were used to set employer contribution rates.

The level of contribution paid by employing institutions was 23.0% of members' salaries (2022: 23.0%). This rate will remain in force until 1 April 2024.

As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.

23. Financial instruments

	Note	2023 £M	2022 £M
Financial assets			
Measured at fair value through income and expenditure:			
Investments (fixed investments listed)	14	6.6	6.2
Investments (equities listed)	14	40.4	39.3
Investments (cash)	14	2.9	4.2
Measured at cost less impairment:			
Spin out and spin in company investments	14	7.7	5.0
Measured at undiscounted amount receivable:			
Trade and other debtors	15	38.1	51.0
Financial liabilities			
Measured at undiscounted amount payable:			
Loans payable falling due within one year	16	4.7	7.4
Loans payable falling due after more than one year	17	50.4	116.7
Trade and other creditors	16	180.7	215.7

24. Related party transactions

Due to the nature of the University's operations and the composition of 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 Court may have an interest. All transactions involving organisations in which a member of Court may have an interest are conducted at arm's length and in accordance with the University's financial regulations and usual procurement procedures.

The University makes certain payments on behalf of and is reimbursed for certain costs by the Students' Association (USSA). The University does not exercise day to day control over the activities of USSA. In 2023, the University:

- contributed £2.9 million as a grant towards its activities (2022: £2.6 million).
- received £0.8 million (2022: £0.8 million) of rental income from USSA.

The balance due from USSA to the University to USSA at 31 July was £187,000 (2022: £35,000 due to USSA by the University).

In line with the Committee of University Chairs' guidance, all members of Court are required to complete a register of interests to record any areas of potential conflict with the interests of the University. A register of interests is maintained for members of Court and reviewed by management in advance of preparing the financial statements for the year. Management identified no related party transactions that it considered necessary to disclose here through its review.

Membership of spin out and spin in companies and other associated companies was reviewed and there is no significant University representation in these companies. No material payments have been made to these companies.

25. HE bursaries and other student support funds

	2023 HE Childcare £M	2023 HE Discretionary £M	2023 Other £M	2023 Total £M	2022 Total £M
Balance brought forward	0.1	-	0.2	0.3	-
Allocation received in year	0.5	1.0	0.1	1.6	2.9
Expenditure	(0.4)	(0.8)	-	(1.2)	(2.6)
Repaid (recovery of funds)	(0.1)	-	(0.2)	(0.3)	-
Balance carried forward	0.1	0.2	0.1	0.4	0.3
Repayable (recovery of funds)	0.1	0.2	0.1	0.4	0.3

These grants are available solely for students. The University acts only as paying agent. The grants and related disbursements are therefore excluded from the Statement of Comprehensive Income and Expenditure.

26. Facility time publication

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. The regulations place a legislative requirement on relevant public sector employers, including the University, to collate and publish a range of data on the amount and cost of Trade Union facility time within their organisation on an annual basis. The University's return for the period 1 April 2022 - 31 March 2023, which contains details of numbers of employees who were relevant union officials, the percentage of their working hours spent on facility time, percentage of pay bill spent on facility time and paid trade union activities, is available on the [facility time publication](#) webpage.

27. Events after the reporting period

As set out in Note 18 in respect of the USS pension scheme, the 2023 valuation was finalised and a new Schedule of Contributions, which has taken effect from 1 January 2024, was agreed on 20 December 2023. This is a non-adjusting event for these financial statements as the Balance Sheet as at 31 July 2023 correctly reflects the contributions and future payments that were agreed and required as at that date. The impact of the revised contributions will be reflected in the 2023/24 financial statements.

28. US Department of Education Financial Responsibility Supplementary Schedule

In satisfaction of its obligations to facilitate students' access to US federal financial aid, the University of Strathclyde 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 modified by the revaluation of land, investment properties and certain fixed asset investments.
- 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.

In the tables below, the primary statements are referenced using the following abbreviations:

- Statement of Comprehensive Income and Expenditure - SOCI
- Balance Sheet - BS

The 2022 figures in the tables below have been updated to reflect the impact of the prior year restatement for the University's share of the Strathclyde Pension Fund asset, detailed in Note 22 and in Accounting Policy Note 'Prior year restatement' on page 60. The intangible assets entry is considered to be the most appropriate place to include the pension asset.



28. US Department of Education Financial Responsibility Supplementary Schedule continued

Primary Reserve Ratio				2023	2023	2022	2022
Page	Note	Financial Statements Description	Supplementary Schedule Description	Total £M	Total £M	Total £M	Total £M
51		BS – Income and Expenditure reserve - unrestricted	Net assets without donor restrictions		360.7		208.6
51		BS – Income and Expenditure reserve - endowments	Net assets with donor restrictions		42.2		41.7
	N/a		Secured and Unsecured related party receivable	-		-	
	N/a		Unsecured related party receivable		-		-
50		BS – Intangible assets and Tangible assets	Property, plant and equipment, net (includes Construction in progress)	462.6		462.2	
50		BS – Intangible assets and Tangible assets less Assets under construction per Note 13	Property, plant and equipment – pre-implementation		-		-
	N/a		Property, plant and equipment – post implementation with outstanding debt for original purchase		55.1		124.1
	N/a		Property, plant and equipment – post implementation without outstanding debt for original purchase		406.4		284.8
71	13	Assets under construction	Construction in process			1.1	53.3
			Lease right-of-use asset, net	-		-	
	N/a		Lease right-of-use pre-implementation		-		-
	N/a		Lease right-of-use post implementation		-		-
50		BS – Pension asset	Intangible assets		99.5		31.2
50		BS – Pension provisions and other provisions	Post-employment and pension liabilities		162.6		193.9

28. US Department of Education Financial Responsibility Supplementary Schedule continued

Primary Reserve Ratio continued				2023	2023	2022	2022
Page	Note	Financial Statements Description	Supplementary Schedule Description	Total £M	Total £M	Total £M	Total £M
76	17	Unsecured loans	Long-term debt – for long term purposes	55.1		124.1	
76	17	Unsecured loans	Long-term debt – for long term purposes pre-implementation		-		-
		N/a	Long-term debt – for long term purposes post-implementation		55.1		124.1
		N/a	Line of Credit for Construction in process		-		-
		N/a	Lease right-of-use asset liability	-		-	
		N/a	Pre-implementation right-of-use leases		-		-
		N/a	Post-implementation right-of-use leases		-		-
		N/a	Annuities with donor restrictions		-		-
		N/a	Term endowments with donor restrictions		-		-
		N/a	Life income funds with donor restrictions		-		-
79	19	Total permanent endowments	Net assets with donor restrictions: restricted in perpetuity		41.0		40.5
Total Expenses and Losses							
48		SOCI – Total expenditure less expenditure funded by restricted donations (Note 7) and expenditure on permanent endowments (Note 19)	Total expenses without donor restrictions – taken directly from Statement of Activities		400.6		518.8
		N/a	Non-Operating and Net Investment (loss)		-		-
		N/a	Net Investment losses		-		-
		N/a	Pension-related changes other than net periodic costs		-		-

28. US Department of Education Financial Responsibility Supplementary Schedule continued

Equity Ratio				2023	2023	2022	2022
Page	Note	Financial Statements Description	Supplementary Schedule Description	Total £M	Total £M	Total £M	Total £M
				Modified Net Assets			
51		BS – Income and Expenditure reserve - unrestricted	Net assets without donor restrictions		360.7		208.6
51		BS – Income and Expenditure reserve - endowments	Net assets with donor restrictions		42.2		41.7
50		BS – Pension asset	Intangible assets		99.5		31.2
	N/a		Secured and Unsecured related party receivable	-		-	
	N/a		Unsecured related party receivable		-		-
				Modified Net Assets			
50		BS – Total assets less current liabilities plus Creditors: amounts falling due within one year	Total assets		801.3		784.0
	N/a		Lease right-of-use pre-implementation		-		-
	N/a		Pre-implementation right-of-use leases		-		-
50		BS – Pension asset	Intangible assets		99.5		31.2
	N/a		Secured and Unsecured related party receivable	-		-	
	N/a		Unsecured related party receivable		-		-

28. US Department of Education Financial Responsibility Supplementary Schedule continued

Net Income Ratio							
Page	Note	Financial Statements Description	Supplementary Schedule Description	2023 Total £M	2023 Total £M	2022 Total £M	2022 Total £M
48		SOCI – Unrestricted comprehensive income and expenditure for the year	Change in net assets without donor restrictions		152.1		(91.9)
48		SOCI – Total income plus gain on investments and actuarial gain in respect of pension scheme less <ul style="list-style-type: none"> • Deficit on revaluation (SOCI) • Investment income on endowments (Note 6) • New endowments (Note 7) • Donations with restrictions (Note 7) • (Increase)/decrease in market value of investments (Note 19) 	Total revenues and gains		552.7		426.9



Court Membership 2022/23**Convener of Court**

Dame S Bruce

Ex Officio

Principal and Vice-Chancellor
Professor Sir J McDonald

Vice-Principal Professor S MacGregor

Glasgow City Council

Councillor Richard Bell

Senate

Mrs L Brownlow
Prof J Sefcik

President of the Students Association plus another Member of the Student Executive

Mr A Morrow

Mr L McDermott

Co-opted by Court (Lay Members)

Ms N Bakshi
Ms V Beckett (Deputy Convener, Estates)

Dame S Bruce (Convener of Court)
Ms F Salzen
Mr M Campbell
Ms A Culpán
Mrs P Galloway (Vice Convener of Court)

Ms G Hastings (Treasurer)

Mr S Ingledeu

Ms M Jacobi
Ms S Kelly
Mr M Roughead
Mr P Young

Professional Services Staff

Ms E Blaxter

Academic Professional Staff

Prof J Delafield-Butt

Appointed by Trade Unions

Mr A Eccles
Mr W McLachlan

Membership of Principal Committees of Court

Convener of Court Membership Group and Court Business Group,
Member of Remuneration Committee

Member of Estates Committee, Staff Committee, Court Membership Group,
Court Business Group, Enterprise and Investment Committee

Convener of Estates Committee,
Member of Court Membership Group and Court Business Group

Member of Court Membership Group
Member of Court Business Group

Member of Court Business Group, Estates Committee and
Court Membership Group

Member of Estates Committee
Member of Court Business Group, Court Membership Group and Estates
Committee
See above
Member of Audit and Risk Committee
Member of Audit and Risk Committee, Remuneration Committee
Member of Court Membership Group, Audit and Risk Committee
Member of Court Business Group, Court Membership Group and Convener of
Audit and Risk Committee
Member of Court Business Group, Court Membership Group, Enterprise &
Investment Committee, Estates Committee and Remuneration Committee
Member of Staff Committee, Court Business Group and Court Membership
Group
Member of Staff Committee and Remuneration Committee
Member of Enterprise and Investment Committee
Member of Enterprise and Investment Committee and Staff Committee
Member of Statutory Advisory Committee on Safety and Occupational Health

The following individuals were appointed as members of Court on 1 August 2023. They were not members of Court during the financial year to 31 July 2023 but were members of Court on the day the Financial Statements were approved: Mrs B Oldfield, Mrs C Schmolke, Mr M Timar, Mr C Berry, Mr C Marwick, Professor Y Perrie, Mr C Jones, Dr D Pritchard, Ms J Kardasz and Miss E Curran.

Note: further information on Court members, including attendance rates and a register of interests, is available on the [Court](#) webpage.



University of
Strathclyde
Glasgow

THE QUEEN'S ANNIVERSARY PRIZES

1996, 2019, 2021 & 2023

For Higher and Further Education

UNIVERSITY OF THE YEAR

2012 & 2019

Times Higher Education

UNIVERSITY OF THE YEAR

2024 RUNNER-UP

Daily Mail University of the Year Awards

SCOTTISH UNIVERSITY OF THE YEAR

2024

Daily Mail University of the Year Awards

EUROPEAN ENTREPRENEURIAL

UNIVERSITY OF THE YEAR 2023

Triple E Awards

University of Strathclyde Glasgow G1 1XQ
www.strath.ac.uk

The University of Strathclyde is a charitable body, registered in Scotland, with registration number SC015263