



UNIVERSITY OF
STIRLING



FINANCIAL STATEMENTS
2009-2010

Financial Statements

for the year ended 31st July 2010

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OPERATING AND FINANCIAL REVIEW

SCOPE OF THE FINANCIAL STATEMENTS

The Financial Statements presented to the Court have been prepared in accordance with the recommendations of the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in June 2007 and the Accounts Direction issued by the Scottish Funding Council (SFC) in June 2008.

OPERATING AND FINANCIAL REVIEW

Introduction

The Operating and Financial Review (OFR) provides an overview of the University, its objectives and targets, its performance over the year, its financial position and its future plans. The Review consists of the following sections:

1. Statutory Background
2. Introduction to the University
3. Mission and Vision Statements
4. Operational Environment and Review
5. Financial Review
6. Future Developments
7. Staff Involvement
8. Commitment to Quality
9. Openness and Freedom of Information
10. Diversity and Equal Opportunity
11. Prompt Payment to Suppliers
12. Treasury Management
13. Professional Advisors

1. Statutory Background

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

The Court of the University is, subject to the provisions of the Charter and Statutes, the executive governing body of the University and is responsible for the administration and management of the revenue and the property of the University. The University's corporate governance arrangements are described on pages x to xi and the members of the University Court during the year ended 31st July 2010 are listed at the end of the financial statements.

2. Introduction to the University

The University of Stirling was the first genuinely new University in Scotland for over 400 years. We retain our pioneering spirit and a passion for excellence in all we do. The University is located just two miles from the centre of Stirling, which received city status in 2002. Set in the shadow of the Ochil Hills, the

magnificent 310-acre campus encompasses a loch, a golf course and the 18th-century Airthrey Castle. It is undoubtedly one of the most attractive campuses in Europe. The University also has a campus in Inverness and one in Stornoway, both centres of excellence in the teaching of nursing and midwifery.

3. Mission and Vision Statements

The University of Stirling's mission is to pursue world-class research, scholarship and learning in order to inspire, challenge and support motivated individuals who want to shape our world.

In support of this, the University:

- conducts world-class research that makes a positive contribution to society, the economy, the environment, science and culture
- promotes and enhances student learning through innovative teaching programmes with a clear focus on real-world needs
- benefits wider society through broad-based access to educational opportunity
- provides an attractive, supportive and caring environment for students and staff
- ensures that the wider community and partner organisations can benefit from our expertise, services and facilities

The University has a clear and ambitious vision to be at the forefront of research and learning in order to shape the world at a local, national and international level. We will be:

- a leading research university in the fields of health & wellbeing, the environment, culture, society & the arts, and enterprise & the economy
- a provider of excellent learning and social experiences for students
- Scotland's University for Sporting Excellence

Building on the strategic direction set in 2006 we will continue:

- to become more international
- to diversify our income streams, become less reliant on the traditional undergraduate model and grow in unregulated areas
- to review and change work processes across the institution in order to focus on our key goals
- to become quicker, more flexible and responsive through a process of Organisational Development

4. Operational Environment and Review

Background

Much of the strategic direction outlined in the Operating and Financial Review for 2008/09, and in the Strategic Plan Overview for 2008 to 2012, available from the University web site (www.external.stir.ac.uk), remains valid and in force. However, there have been some significant changes in the operating environment which have impacted on the institution and these are detailed within the following review of the University's activities in 2009/10.

Demand for taught provision

Throughout 2009/10 recruitment of students has been strong with the number of applications for all levels of study, undergraduate, taught postgraduate and research postgraduate, continuing to rise as demonstrated in the table below:

Applications Processed	2006/07	2007/08	2008/09	2009/10
Undergraduate Applications	12,561	12,690	12,129	13,547
Postgraduate Applications	6,438	5,700	5,619	6,585
Study Abroad/ Exchange Applications	322	380	295	302
English Language Teaching Applications	*	290	264	303
International Summer School	*	46	76	99

At undergraduate level this has meant that some programmes are now selecting students rather than simply recruiting them which should have a positive impact on our entry grade profile. This increase in demand is partly due to the current economic climate and is evident across the sector. However the uncertainty of public funding in the future may threaten other income generating activities, such as the provision of consultancy and continuing professional development (CPD) services, as both the public sector and the private sector continue to curb their spending. Overseas recruitment is also looking strong with increases at both undergraduate and postgraduate levels. Staff continue to actively visit overseas markets and engage with partners and agencies. The markets of Kazakhstan, Thailand and Vietnam targeted over the last few years are showing increases in applications.

The strategy of developing a network of partnerships is continuing to show results and we are seeing a good return on investment. The new points based system introduced by the UK Border Agency is creating additional administrative burdens to ensure that documents and processes are in line with the ever changing UKBA requirements. There is a risk that the new system could have an adverse affect on student enrolments and a danger to the University's reputation if we fail to comply and lose our 'Sponsor' status.

The increases seen in application numbers in 2009/10 continue the positive trend of the last few years and have been reflected in overall increases in enrolments and tuition fee income. The adopted strategies are showing a return on investment and it is predicted that this will continue next year, though immigration changes and government funding reductions will create risk to increasing potential success.

League Tables & Awards

In the past year Stirling has risen up the Times Good University Guide league table from 48th to 45th place in the UK and in the Guardian University Guide league table from 32nd to 27th place. This builds on the previous years' award of the Sunday Times *Scottish University of the year* for 2009/10 although it is recognised that in both league tables our ranking compared only to Scottish Institutions remains the same year on year being 8th and 7th place respectively.

Research published in June 2010 carried out by the Scottish Neighbourhood Statistics (SNS) has shown that Stirling Students are the happiest people in Scotland. The project mapped a range of measures in more than 6,000 geographical zones, correlating to postcodes, and against the measure 'Estimated percentage of population prescribed drugs for anxiety, depression or psychosis' and FK9 4LA, the postcode for the University of Stirling Campus, was just 2 percent, the lowest in Scotland.

The National Student Survey indicates that 89% of our students are satisfied with the quality of their course which is 3% higher than the Scottish average as shown below:

2008 - 2010 comparison

"Overall I am satisfied with the quality of the course"

Institution	% Agree 2008*	% Agree 2009*	% Agree 2010*
University of St Andrews	93	92	93
University of Glasgow	86	90	90
University of Aberdeen	91	89	89
University of Stirling	86	88	89
University of Dundee	84	88	87
Heriot Watt University	85	81	87
University of Strathclyde	85	86	86
University of Edinburgh	83	83	86
Scottish Average			86
Robert Gordon University		84	84
Glasgow Caledonian University	85	84	83
UK Average	82	82	83
Napier University		81	80
Glasgow School of Art		69	65

* Respondents answered 'Mostly Agree' or 'Definitely Agree'

The University's Registry & Governance Services Department was presented with the 'Outstanding Registry Team' award in the Times Higher Education (THE) Leadership and Management Awards, which are open to all higher education institutions in the UK.

Research

The University's current Research and Knowledge Transfer Strategy has been in place for a number of years and has at its core the key strategic objective of remaining research-led. Whilst the strategy has been successful in increasing the number and value of applications submitted over the last few years this has unfortunately not been reflecting in the awards. However the contribution to core staff costs (from staff recharges and

overheads) has increased. The next phase of the Research and Knowledge Transfer Strategy is being developed and a clear priority will be to convert the effort being put into applying for funding into awards and income. Emphasis will also be placed on mentoring arrangements, increasing activity in peer review and policy committees, closer engagement with funders, diversifying funding sources, reviewing the use of the Strategic Research and Enterprise Development Fund and implementing a new Research Information System.

Other academic developments

We have established a new hub of child protection expertise, the first in the UK, to advise Scottish social workers about keeping young people safe from neglect or abuse. The Multi-Agency Resource Service (MARS) helps child protection professionals work through difficult cases and share good practice to help spread successful approaches across Scotland. It was officially launched in October by Adam Ingram, Minister for Children and Early Years.

The Department of Nursing and Midwifery announced the launch of the Centre for Public Health and Population Health in May 2010. The Centre contains a number of research programmes that explore aspects of public and population health in a range of contexts – local, national, international – and uses a range of methods often mixed. The Centre staff has expertise in quantitative and qualitative methods, action research, systematic reviews, epidemiology and demography. The centre's research aims to contribute to clinical practice and public health policy with a focus, in a number of programmes, on user and community engagement. There is also a strong Centre interest in research linked to social justice and environmental justice themes.

The new centre for Memory & Learning in the Lifespan was launched at Stirling in May 2009. It brings together academic research in neuropsychology, developmental psychology, health and education.

University of Stirling Students' Union

The Stirling University Students' Association have approved a new constitution and revised management structure and have been renamed the University of Stirling Students' Union. The financial position of the Union is challenging and over the next year the University will be working closely with the current sabbatical team to try and ensure it has a sustainable financial future.

Estates and University Services

The University is committed to tackling climate change by embedding sustainability at the core of its business practices. A Carbon Management Plan has been developed and this moved to the implementation phase in 2009. The University has a target to reduce its CO₂ emissions by 20% by 2012/13. Work undertaken so far has resulted in reduced energy consumption of 3% and utility costs of £218K within the first year. The University has been awarded the Carbon Trust Standard (CTS) which is an independently certified mark of excellence which recognises an organisation's commitment and achievements in measuring, managing and reducing carbon emissions.

The state-of-the-art University Library opened its doors in August 2010. The exciting £11.4 million project was made possible by the generosity of many donors from our supporters

and alumni who donated £1.5 million. Innovative educational features include the Stirling Enterprise Zone, where students' and researchers' entrepreneurial ideas can be developed; an accessible Archive for our 'treasury' of rare books and manuscripts; and an exhibition area for our special collection of contemporary Scottish art. The new library provides a research study and learning centre with improved heating, lighting ventilation, furnishings, interior design and the addition of zoned study space. This new facility will support the whole of the university and serve the needs of all the community.

Senior Management

The new Principal, Professor Gerry McCormac, took up post on 1 May 2010. The Principal's Executive Group was originally established as an advisory group to the Principal. Following his arrival the role and purpose of the group was reviewed to ensure it was as effective as possible. This resulted in agreeing to establish a new University Strategy & Policy Group (USPG) from the start of 2010/11 with the purpose of leading the development and implementation of the strategic direction and policy of the University.

Governance & Risk

In 2009 the Privy Council approved the special resolution to amend the Royal Charter and Statutes and the University has amended the Ordinances in line with the changes. Following the decision to restructure from fifteen Academic Departments to seven Academic Schools, further review and amendments to the Statutes and Ordinances as required will be made during academic session 2010/11.

The University's Committee structure was reviewed at the end of 2008/09 and the new structure has been in place since the start of academic session 2009/10. There will be a further review to assess both the operation and effectiveness of the new structure, and to consider any further amendments necessary as a consequence of the move to Schools. In particular the remits and compositions of the Finance & Resources Committee and the Policy & Planning Committee will be reviewed. During 2010/11 business requirements have led to joint meetings of these two committees.

The University Court and community have continued to embed risk management into all areas of planning. The University, like other institutions, faces both strategic and operational risk. The impact of operational risks on key business activities can be mitigated through a process of business continuity management and work is in hand to embed this within the University's culture and management processes. Traditionally, a business continuity approach is common in relation to estates and IT services and work has already been undertaken within these two areas. This now needs to be extended to cover other risks and the impact on other business critical services. During 2009, the University developed a coherent and integrated response plan relating to Pandemic Influenza and this provided a template for an institution-wide business continuity approach.

The management of strategic risk is being integrated into the planning process so there is a clear link to strategic planning, achieving key objectives and monitoring of key performance indicators. The University's Strategic Risk Register has been revised, and a Register of Key Operational Risks is being developed and both will be cross-referenced to ensure all aspects of risk are considered.

The institutional planning and budgeting process is being revised comprehensively and will focus on improving integration of academic, financial and physical planning. A system of key performance indicators (KPI's) and measures at both institutional, school, and service directorate levels will be introduced. These will show current and future performance graded using a traffic light system. At institutional level these KPI's will be analysed further showing trends, targets, benchmarks and an assessment of performance.

The most significant risks faced by the University have been identified and these will be cross-referenced to identify on which key performance indicator each risk will impact. The key risks currently identified are:

- Scottish Funding Council cut funding for teaching and / or reduces the number of funded places as a consequence of Government cuts and changes to funding allocations.
- Funding cuts for research from the Scottish Funding Council, Research Councils UK and / or other key funding bodies.
- Long-term affordability and inability of the sector to agree changes to pension scheme benefits.
- Impact of changes to immigration results in a significant reduction in tuition fees income from international students.
- Affordability of pay awards

These risks are recognised and are taken into consideration when preparing the revised Financial Strategy and through the 3 year budgeting process.

In May 2010 the Financial Reporting Council (FRC) issued a new edition of the Code of Corporate Governance. The University will review the changes to consider whether any changes to our own governance arrangements should be made.

External Environment

The Scottish Government has confirmed its policy for the consolidation of student numbers. The Scottish Funding Council will apply a tolerance threshold of 10% for the priority subjects of engineering and technology, science, computing and information science, mathematics, and statistics and operational research. In a change to the previous policy, modern languages have been added to this category. Other non-controlled, non-priority subjects will be subject to a 7% tolerance. This will apply from 2010/11, with no phased introduction.

In September 2009 the Scottish Funding Council issued a consultation document in which it set out proposals for a new set of four subject price groups for HEI formula teaching funding (a reduction from the current 12 funding subject groups). In response to requests from the sector the SFC subsequently released information on its modelling of the impact of 5, 6 and 8 price groups respectively. The implementation of new price groups has been delayed pending the gathering of additional supporting data. Depending on the model finally implemented, there could be a significant impact on Stirling's funding.

QAA (Scotland) operates an enhancement led approach to quality assurance, based around a Quality Enhancement Framework. A key part of this framework is Enhancement-Led Institutional Review (ELIR), the mechanism by which the QAA assures itself that the individual HEIs in Scotland have adequate procedures for quality assurance and quality enhancement in place. Stirling's next ELIR is due to take place in 2011/12.

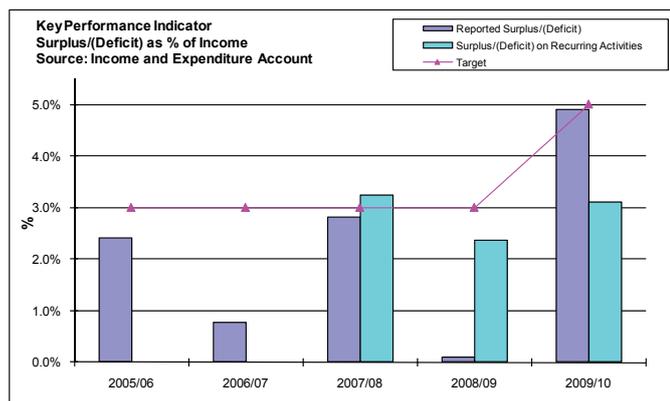
In October 2010 the Government announced the Comprehensive Spending Review which indicates a 25% cut to the Scottish Office resource budget. The Scottish Government will now have to face some hard decisions in terms of spending cuts. The potential impact of these cuts on the Higher Education sector is as yet unknown however the Universities financial strategy is currently being reviewed and will include plans to budget for these potential cuts.

5. Financial Review

The summarised income and expenditure account for the year ended 31st July 2010, together with comparative figures for 2008/09 are shown as follows:

	2010 £'000	2009 £'000
		Re-stated
Income	100,448	96,738
Expenditure	<u>(97,293)</u>	<u>(94,435)</u>
Surplus/(Deficit) on recurring activities <i>As % of Income</i>	3,155 3.1%	2,303 2.4%
Add:		
Research Postgraduate Scheme (Horizon Fund income)	1,500	0
Transfer from accum income within endowment funds	(13)	59
Impact of FRS 17 (pensions) disclosure	388	550
Staff Restructure provision	(114)	(3,150)
Impact of MMF Limited	0	752
Impact of RPG adjustment	0	(416)
Surplus/(Deficit) for the year retained within general reserves <i>As % of Income</i>	<u>4,916</u> 4.9%	<u>98</u> 0.1%

The University has generated a surplus of £4,916k (4.9% of income) in 2009/10. Taking account of specific one-off adjustments, the surplus on recurring activities is approximately £3.2 million or 3.1% of income, which falls short of the existing finance strategy objective of achieving an operating surplus of 5% by 2009/10. It should be noted that the surplus achieved on recurring activities has been a result of direct management action including the voluntary severance scheme.



Income

Total income has increased by £5.6 million (5.8%). The most significant movements are:

- an increase of £4.1 million (19.7%) in Tuition Fees largely from overseas students reflecting the University’s strategic goal of increasing income in segments of the market in which pricing is not subject to regulation and the success of the Internationalisation Strategy;
- an increase of £1.2 million (4.7%) in Other Income which includes £376,000 increase from Residences reflecting the annual rental increase, £251,000 increase in Consultancy and Other Services Rendered income, £287,000 increase from Stirling Management Centre and a £227,000 increase in Deferred Capital Grants released largely as a result of the library project.

Expenditure

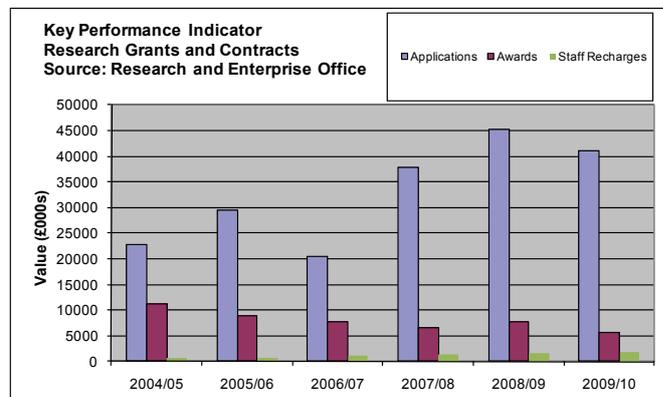
Total expenditure has increased by £736,000 (0.7%). Areas that should be highlighted are:

- staff costs have decreased by £1.6 million (2.6%). This is largely due to the impact of the Voluntary Severance scheme which took place in the summer of 2009 along with a number of staff vacancies which have not been filled. It also includes reduced staff costs of £457,000 within Catering as these costs are now reported as non-staff costs following the out-sourcing of the catering facilities.
- non-staff costs have remained fairly static with a slight increase of £497,000 (1.6%) in total. However excluding the net impact of provisions made the non-staff costs have increased by £1.4 million (4.9%) year-on-year. This includes a £421,000 increase in catering which corresponds to the reduced staff costs, £315,000 increase in consultancy & other services rendered, £314,000 increase in Sports Development reflecting the Sporting Excellence grant and £268,000 in Administration and Central services which includes additional support for USSU, increased agency fees and increased recruitment costs.
- Depreciation has increased by £1.7 million (25%) which reflects the ongoing investment in the development of our estate and IT infrastructure.

Research Grants and Contracts

Research Income has increased in 2009/10, despite the difficult funding environment, with a moderate increase of 2.2% on the previous year. The overall contribution from research grants and contracts was £3.5 million, with £1.7 million coming from overheads and the balance made up of staff recharges. The level

of staff recharges has increased from 8% of research income in 2005/06 when Full Economic Costing (fEC) was introduced to 23% in 2009/10 reflecting the funders increased contribution towards academic staff costs as shown in the chart below. Applications for research grants and contracts have decreased slightly since their 2008/09 levels in monetary terms and conversion rates continue to be a concern as shown in the table below:



A new Research and Knowledge Exchange Strategy is being written which will set out the way forward to achieve a significant uplift in research income in future years.

Balance Sheet and Cash Flow

The University Balance Sheet remains strong, with total fixed assets in excess of £79 million. Capital works of £13.2 million have been financed from reserves and external grants.

The cash position within the institution has reduced by £1.6 million largely as a result of capital work undertaken, including the library project. There has still been limited requirement to utilise the revolving credit facility which was arranged in 2007/08 prior to the impact of the “credit crunch”. This facility was secured on favourable terms and remains accessible.

The net assets of the University increased during the year by £11.9 million from £47.5 million in 2008/09 to £59.4 million in 2009/10. This was due to fixed assets of £5.1m being added to the balance sheet as a result of the Capital plan described below, current liabilities reducing by £3.3 million which again relates to the capital plan and the provision for liabilities decreasing by £2.5 million relating to the 2008/09 Voluntary Severance Scheme and the net pensions liability decreasing by £0.9 million.

Capital Projects

During the year £13.3 million was invested in the University’s Fixed Assets from the projects listed on the University’s Capital Plan. The main project was the refurbishment of the library which started in financial year 2006/07 with the new library opening its doors on the 30th August 2010 at an estimated full cost of £11.4 million of which £1.5m was fundraised. In year there were also significant RCIF funded capital projects; namely SBES Laboratory Refurbishment & SBES Equipment, SBES Constant Environmental Facility Extension, Sports Science Labs in Cottrell, and redevelopment of SBS Labs for Sports Studies. The capital plan underwent a fundamental review this year as part of the integration of the University’s planning and budgeting processes and the move to three year financial forecasting. The plan now covers the period up to 2020. The total cost of the plan for the period 2010/11 to 2019/20 amounts to £27.5

million. This does not include the Residences Refurbishment Programme which has an estimated cost of £43 million as it has been assumed that this programme will be self-financing. It is also anticipated that any further major capital plans would require significant external funding packages in order to proceed.

6. Future Developments

Future Directions & Academic Restructuring

In June 2009 the University Court approved the Future Directions: Academic and Financial Development and Restructuring Plan ('Future Directions'). This contained a number of proposals to enable the University to succeed in the increasingly competitive higher education environment and to meet significant reductions in its funding. The Future Directions Implementation Group met throughout 2009/10 to oversee the implementation of the plan. As a result of action taken there was a successful reduction and stabilisation of the University's cost base, as a result of which the University Court agreed at its December 2009 meeting that the University could begin a programme of academic investment. Over 40 new posts in academic departments were approved along with the creation of 50 research postgraduate studentships. A dedicated advertising campaign 'Broaden your Horizons' was run to promote the academic vacancies and studentships. The appointment processes for the new posts and studentships are now well underway.

After producing a final report the Future Directions Implementation Group was wound up in May 2010 with all remaining activities being moved to part of the mainstream planning process and existing working arrangements.

Whilst organisational development was not explicitly a Future Directions proposal the plan did state that the issue of restructuring should be reconsidered. University Court and the Finance & Resources Committees reinforced the view that possibility of restructuring should be seriously considered and that the existing number of departments was organisationally inefficient. A consultation paper on academic restructuring was circulated in April 2010 which received responses from many areas of the University. Following the consultation, proposals were put to University Court in June 2010 to create seven new Schools and these were approved.

A Change Manager has been appointed to oversee the implementation along with an Academic Restructuring Implementation Group (ARIG). The ARIG will oversee the various strands of work and will monitor progress and provide guidance to the five Implementation Strand Groups whose role is to define and deliver solutions to specific areas. The Implementation Strand Groups will cover:

- School Structures and Processes
- Finance and Planning
- Communication and Engagement
- Human Resources
- Governance

A Programme Management Board will provide overall guidance and ultimate decision making.

The core academic, service and support structures and processes will be defined and the schools will be integrated into the Finance and Strategic Planning processes. The new structure

should be in place for the 1 January 2011. The appointment of New Heads of School is underway with 4 Heads being appointed in September 2010 from internal candidates and an external recruitment process has begun for the remaining 3 schools.

Strategic Imperatives and Principles

University Court agreed in June 2010 a set of Strategic Planning Principles which will underpin the development of the University's next Strategic Plan. The Strategic Imperatives and Strategic Principles agreed are as follows:

Strategic Imperatives

All of the activities pursued by the University of Stirling community should be defined by and contribute to the achievement of an Ambitious Common Purpose (ACP) which should be short, easily identifiable, and be a proxy for the University's core characteristics e.g. **BEST** – **B**old, **E**nterprising, **S**ustainable, **T**ransformational.

Achieving an ACP requires a number of prerequisites to be understood, agreed and actively pursued including:

- Quality: in all activities
- Sustainability: both financial and environmental
- Distinctiveness: identifying what is unique and promoting our ambitions
- Impact: both by contributing to wealth creation nationally, and being connected internationally
- Diversification: of income base
- Commitment: to enterprise and to engaged intellectual leadership and networking
- Performance driven: significantly enhancing research performance

Successful pursuit of these requires an understanding and recognition of the inter-relationships between reputation, relationships and resources. The university's ability to attract resources depends on both its relationships and its reputation.

Strategic Principles

- Quality
We will strive for the highest standards in all we do
- Resources
We will allocate resources in accordance with those who generate them and will set parameters to minimum cross-subsidy
- Selectivity
We will selectively support activities where impact can be maximised
- Research
We will ensure criteria for appointment of, progression and promotion will be dependent on research performance for most academic staff
- Teaching and Learning
High quality teaching and student support will be the expected norm, with teaching only staff considered to be an exception and kept to a minimum
- Targets
We will ensure targets are set, monitored and are benchmarked against a group of comparator universities

Implementing these imperatives and strategic principles means a more explicit resource allocation process, focused on allocating resources according to performance achieved against agreed targets, owned by the academic budget centres. Heads of academic budget centres will be accountable for performance achieved, and monitoring and evaluation of performance will be through a rolling planning process.

Investment in studentships

The University Court agreed in December 2009 that the £1.5m of transitional funding provided by SFC would be committed to postgraduate research studentships. Allowing time for a scheme to be developed, publicised and recruitment to take place, it is expected that this expenditure will be incurred over the next few financial years.

7. Staff Involvement

The University places considerable value on the involvement of its employees and on good communication with them. Staff are informed through regular meetings, the extensive University intranet, open forums such as the annual Staff Assembly, staff newsletters and other means. Staff are encouraged to participate in formal and informal consultation at University and Departmental level, through membership of formal Committees and informal working groups.

Staff involvement in decision-making, including some on an elected basis, runs throughout an extensive formal committee structure covering most aspects of University life. As part of this staff involvement, the University Court itself contains a significant number of staff who are not members of the senior management team.

The University has a Human Resources Development Centre that is responsible for providing technical and general training to all levels of staff and to help build leadership capacity.

In 2009 the University commissioned Capita People Development to undertake a staff survey which was conducted in November and December 2009. The results of the survey were made available to the University in 2010. The key findings of the survey were that staff felt positive about job satisfaction, diversity and equality, immediate managers, working together, pay and benefits, roles and responsibility and quality of service. On the other hand areas that staff felt needed to be addressed or improved included: change management, workload and bureaucracy, career development, communication and values.

During 2009/10 the new Achieving Success process was implemented. Achieving Success is a process whereby every member of staff has the opportunity at least once a year to discuss what they are delivering, how that matches their departmental plan, and what ongoing support or development they might need. It enables managers to discuss what has been achieved, and to ensure that staff understand departmental priorities as well as ensuring that discussion about personal development takes place. When the Staff Survey was undertaken many staff had not yet undertaken the Achieving Success process however of those who had had a review 81% of them felt that the process had been useful and allowed them to agree clear objectives.

8. Commitment to Quality

The University's strategy for learning and teaching quality assurance and enhancement is designed to ensure the continuing development of the University as an effective and inclusive learning community in which all students and staff are both learners and active participants. The University of Stirling seeks to excel in teaching, research and community engagement. It combines pursuit of scholarship and research at an international level with high quality teaching and promotion of wider access and knowledge transfer.

The University's approach to quality is rooted in the conviction that the quality and standards of the University's educational provision are best assured by members of professional academic staff on the basis of peer group scrutiny and expert opinion at programme, Department and Academic Council level. In discharging its responsibility to assure standards and to enhance quality it therefore devolves substantial responsibility and accompanying resources to Departments. At each level of the University, executive functions are generally carried out by designated officers, whilst academic decisions are the responsibility of formally constituted committees. Policy development, review of performance and dissemination of good practice is undertaken by the University's Committees and specialist Working Groups and Panels.

9. Openness and Freedom of Information

The University of Stirling places a considerable amount of information about how it is run in the public domain, increasingly through its website. Much of this can be accessed via the Publication Scheme at <http://www.foi.stir.ac.uk/>.

The University is a diverse organisation which creates, receives and uses recorded information in a wide variety of formats. Increased emphasis on good governance and accountability brought about by the Freedom of Information Act and other compliance legislation requires that the University manages its information effectively. The University recognises the value of effective records management, and a University Records Management Policy has been approved by the University Court. The Policy establishes a requirement for effective records management and outlines the responsibilities for staff working with recorded information in any format across the organisation.

10. Diversity and Equal Opportunity

In December 2009 the University published its first Single Equality Scheme covering the period 2009-2012. The Scheme is an integrated strategy and action plan which sets out how the University will tackle discrimination and harassment and promote equality for its staff, students and service users. The Scheme explains how the University will meet its statutory duties to promote gender equality, disability equality and race equality, and also includes actions designed to help achieve equality on the grounds of sexual orientation, age and religion/belief.

The University actively seeks the views and opinions of members of its community and liaises with external bodies, representative groups and users on the effectiveness and development of policies. All individuals and organisations with which the University has a contractual arrangement are expected to accept the principle of equal opportunity and not to be party to situations which could lead to unfair discrimination.

11. Prompt Payment to Suppliers

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

The level of creditors in terms of the proportion of the year-end creditors to the aggregated invoiced amounts as at the 31st July 2010 was 30 days.

12. Treasury Management

The financing and liquidity of the University and its exposure to financial risk are managed through the central treasury function of the Finance Office. The University's Treasury Management Policy sets out the policies, practices and objectives of the institution's treasury management activities, as agreed by Court, and covers the University of Stirling and all its controlled subsidiary undertakings. The University adopts the key recommendations of the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services Code of Practice.

13. Professional Advisors

External Auditors / Tax Advisors	KPMG LLP Saltire Court 20 Castle Terrace Edinburgh EH1 2EG
Internal Auditors	PricewaterhouseCoopers LLP Erskine House 68-73 Queen Street Edinburgh EH2 4NH
Bankers	Bank of Scotland Corporate Service Centre 150 Fountainbridge Edinburgh EH3 9PE
Solicitors	Anderson Strathern LLP 1 Rutland Court Edinburgh EH3 8EY

P. Grice
Chair, Finance and Resources Committee

CORPORATE GOVERNANCE

The University is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the University has applied the principles set out in Section 1 of the Combined Code on Corporate Governance issued by the London Stock Exchange and revised in 2008. Its purpose is to help the reader of the financial statements understand how the principles have been applied.

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

The Court is of the view that there is an ongoing process for identifying, evaluating and managing the University's significant risks that has been in place for the period up to the date of approval of the financial statements. This process has been reviewed and approved by Court. It accords with the internal control guidance for directors on the Combined Code as amended by the British Universities Finance Directors Group.

The Court considers that the University has adequate resources to enable it to continue in operational existence for the foreseeable future.

THE WORKINGS OF THE UNIVERSITY COURT AND ITS COMMITTEES

Court

In accordance with the University's Charter, the Court is the Governing Body of the University with overall responsibility for the management of the University's resources, the ongoing strategic direction of the University, approval of major developments and the receipt of regular reports from Executive Officers on the day to day operation of its business.

In 2009/10 the University implemented a revised committee structure following approval of a new structure by University Court in June 2009. This structure remains under review.

On matters relating to the academic work of the University, Court will normally only act on the recommendation or with the concurrence of the Academic Council, the existence and membership of which is provided for in the University's Charter and its allied instruments, the Statutes and Ordinances. This is partly facilitated by the Policy and Planning committee, which is a joint Committee of the Court and the Academic Council and takes an overview of integration of strategic planning.

The membership of the Court, some of whom are ex officio, comprises lay members, who are in the majority, the balance

being made up of staff and student members as prescribed by Statute. The Chair of Court is a lay member and is supported by lay Chairs of the Finance and Resources Committee and the Audit Committee. The University's Chief Executive is the Principal and Vice-Chancellor.

The Court Appointments Committee seeks and considers recommendations for potential lay members of Court. The Court meets formally four times per year, with an additional residential strategy conference in the spring.

In line with good practice, Court undertook a review of its own effectiveness in 2005/2006, which also considered the extent of Court's compliance with the CUC Guide for Members of Higher Education Governing Bodies in the United Kingdom. The outcomes of this review have been implemented in the period since its completion, with the next review due to take place in 2010/11.

The University made minor modifications to its Charter and Statutes in 2006/07 to take account of organisational development and recommendations arising from the Review of Court Effectiveness. In 2008/09, it completed and implemented conclusions from a more comprehensive review of the Charter and Statutes. The purpose of the review was to ensure that the Charter and Statutes were fit for purpose for the next 20 years and to provide a legacy for the future good governance and management of the University. The outcome of the review provided the University with greater freedom to act quickly, flexibly and responsively and to take the actions and decisions necessary to ensure future success through inter alia moving areas where there is no public interest out of Charter and Statutes and into Ordinances, thereby enabling revisions and reforms that might be identified in the future to be undertaken by the University itself through its own consultation and decision-making processes rather than via the Privy Council. These changes were approved by Privy Council and came into force from the 1st August 2009.

Principal Committees

In respect of its strategic and development responsibilities, and especially in respect of the integration of financial and estates planning with academic planning, the Court receives recommendations from the Policy and Planning Committee.

The Finance and Resources Committee considers issues relating to the University's finances, estates, information services and staffing and reports matters for information and formal approval as appropriate to the Policy and Planning Committee and Court. The Finance and Resources Committee also recommends to Court the University's annual recurrent budget and capital expenditure plans. The monitoring of performance in relation to approved budgets is undertaken by the University Strategy & Policy Group on a monthly basis throughout the year through its consideration of management accounts, with periodic formal reporting to the Finance and Resources Committee.

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

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

The operations of the University are not without risk and therefore the University has an established risk management process which advises senior management and which is taken into consideration in the development of the Strategic Plan.

The Strategic Risk Register is regularly maintained and updated to ensure that it features explicit risk descriptions, details of mitigating actions to reduce the likelihood and impact of risks materialising, and risk indicators, or early warning signs that a risk may be about to materialise. The responsibility for the management of strategic risk and maintaining a strategic risk register lies within the Policy, Planning & Governance area. Risk identification, assessment and the consideration of control measures are an integral part of the University planning process, and will continue to be further developed and integrated into plans in all areas of the University.

Business continuity and operational risks are now the responsibility of the Operational Risk and Environmental Sustainability team based within Estates & Campus Services. This team has responsibility for preparing a business continuity strategy, business continuity plans (e.g. Pandemic Influenza) and ensuring that the University is resilient against disruption to its key business objectives.

The University has a Safety Policy and operates a safety management template across all activities. The template enables senior management to receive reports setting out non-financial key performance and risk indicators and to consider central issues highlighted by the operation of the system. The template is embedded in departmental and service-area management and is backed up by compulsory attendance at training sessions for all staff.

The Court receives an annual report from the Audit Committee supported by documentation from senior management and the relevant committees in order that it can complete its annual assessment for the year ending 31st July. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

ACCOUNTING RESPONSIBILITIES OF THE UNIVERSITY COURT

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

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

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

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

The University Court has taken all reasonable steps to:

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

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

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic departments and directors of service;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of key performance indicators and business risks and quarterly reviews of financial results involving variance reporting and updates of forecast outturns;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the University Court;
- comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee, Finance & Infrastructure Committee and the Court;
- a professional outsourced Internal Audit team whose annual programme is approved by the Audit Committee and endorsed by the University Court and whose head provides the University Court with a report on internal audit activity within the University and an opinion on the adequacy and effectiveness of the system of internal control, including internal financial control.

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

Membership of Court and Committees

	C=Court A=Audit F=FRC P=PPC	Court membership dates ¹	Attendance 2009/10			
			Court 4 in year	Audit 3 in year	FRC ² 4 in year	PPC ³ 4 in year
*Mr Alan G Simpson	C, F, P		4c		4	4
*Mr Alistair Moffat	C		2			
Professor Brian Austin	C		3			
Dr Carron Shankland	C		4			
Professor Richard Edwards	C, P		3			3
Professor Phyllis Lee	C, P		4			4
Professor Rory O'Connor	C		4			
Ms Nicola Ring	C		2			
*Mr Harry Adam	C		3			
*Mr Gordon Pomphrey	C, F		4		3	
*Mr Geoff D C Burns	C, F		3		3	
*Professor (James) Campbell Gemmell ⁴	C, A	from 01/01/2010	2 (of 2)	1 (of 1)		
*Mr Paul Grice	C, F, P		2		4c	1
*Mr Richard G Murray	C, A		2	3		
*Mr Andrew Sturgess	C	from 01/01/2010	2 (of 2)			
*Mr Graeme M Simmers	C, A		3	3c		
*Ms Lynne Marr	C	from 01/01/2010	2 (of 2)			
*Mr Simon Anderson	C	from 01/01/2010	2 (of 2)			
Ms Gillian Geddes	C	from 05/11/2009	3 (of 3)			
*Professor Ian D Aitken	C	to 31/12/2009	2 (of 2)			
*Ms May Sweeney	C, A	to 30/03/2010	1 (of 3)	2 (of 2)		
Professor Christine Hallett	C, F, P	to 30/04/2010	3 (of 3)		3 (of 3)	3 (of 3)c
Professor Gerry McCormac	C, F, P	from 01/05/2010	1 (of 1)		1 (of 1)	1 (of 1)c
*Councillor Fergus Wood	C		0			
Professor Neil Keeble	C, F, P		4		4	4
Mr Tom Spencer	C, P	to 31/05/2010	2 (of 3)			2
Mr Mark Cullen	C, F	to 31/05/2010	2 (of 3)		4	
Ms Rhianna Humphrey	C, P	from 01/06/2010	1 (of 1)			0 (of 0)
Mr Ross Main	C, F	from 01/06/2010	1 (of 1)		0 (of 0)	
*Mr R Gavin Burnett	A			3		
Professor David Bell	F				4	
Professor Steve Burt	F, P				4	4
Professor Alan Goodacre	F				4	
Professor Douglas Robertson	F, P				4	3
Mr Stephen Morrow	F				3	
Professor Ian Simpson	P					4
Professor Grant Jarvie	P					2
Mr Kevin Clarke	P					4
Professor Roger Sugden	P					4
Professor Andrew Ginger	P					4
Professor Philip Wookey	P					2

* Lay members

¹ Where membership of committees differ from the Court membership these are listed in the footnotes

² FRC = Finance & Resources Committee

³ PPC = Policy & Planning Committee

⁴ Member of Audit Committee from 11 May 2010

c = Chair of Committee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UNIVERSITY COURT OF THE UNIVERSITY OF STIRLING

We have audited the financial statements of the University of Stirling for the year ended 31 July 2010 set out on pages 1 to 33. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the University Court of the University of Stirling, as a body, in accordance with the Charter and Statutes of the University. Our audit work has been undertaken so that we might state to the University Court those matters we are required to state to it in an auditors' 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 Court for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the University Court and Auditors

The responsibilities of the University Court for preparing the Operating and Financial Review and the financial statements in accordance with the Accounts Direction issued by the Scottish Funding Council, the Statement of Recommended Practice: Accounting for Further and Higher Education, applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the statement of Responsibilities of the University Court on page XI.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education. We also report to you whether, in all material respects, income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the University have been properly applied only for the purposes for which they were received and whether, in all material respects, income has been applied in accordance with the Further and Higher Education (Scotland) Acts 1992 and 2005 and, where appropriate, with the Financial Memorandum with the Scottish Funding Council. We also report to you whether in our opinion the Operating and Financial Review is not consistent with the financial statements.

In addition, we report to you if, in our opinion, the University has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the other information contained within the Operating and Financial Review and the Corporate Governance Statement and consider the implications for our report if we become aware of any apparent misstatements within them or material inconsistencies with the financial statements.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the University Court in the preparation of the financial statements and of whether the accounting policies are appropriate to the University's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the University's affairs as at 31 July 2010 and of the University's surplus of income over expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education;
- in all material respects, income from the Scottish Funding Council, grants and income for specific purposes and from other restricted funds administered by the University during the year ended 31 July 2010 have been applied for the purposes for which they were received; and
- in all material respects, income during the year ended 31 July 2010 has been applied in accordance with the Charter and Statutes of the University and the Further and Higher Education (Scotland) Acts 1992 and 2005 and, where appropriate, with the Financial Memorandum with the Scottish Funding Council.

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

December 2010

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

Basis of Preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2007 and in accordance with applicable accounting standards. They conform to the Accounts Direction and other guidance published by the Scottish Funding Council.

The financial statements are prepared under the historical cost convention, as modified by the revaluation of Investments.

While the University Balance Sheet shows net current liabilities, the University has in place a revolving credit facility as explained in Note 16 which allows the University to borrow sufficient funds to meet its current liabilities as they fall due.

The financial statements do not include those of the Students' Union because the University does not control those activities.

Income Recognition

Funding council block grants are accounted for in the period to which they relate.

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

The University has reviewed its treatment of studentship funds received from both Research Grants and Research Training Support Grants within the financial year to 31st July 2010. The practice in previous years had been to recognise all income and expenditure. However the University has now excluded the stipend element of this income and expenditure where it is recognised that we act as paying agents on disbursing these funds to students, in accordance with our accounting policy on agency arrangements. This change in application of the policy has resulted in a re-statement of the 2008/09 comparatives within the income & expenditure account as shown in notes 2,3 and 4. Both income and expenditure in 2009/10 are reduced by £0.9 million but with no change to the reported surplus for the year.

Recurrent income from grants, contracts and other services rendered are accounted for on an accruals basis and included to the extent of the completion of the contract or service concerned; any payments received in advance of such performance are recognised on the balance sheet as liabilities.

Donations with restrictions are recognised when relevant conditions have been met; in many cases recognition is directly related to expenditure incurred on specific purposes. Donations which are to be retained for the benefit of the University are recognised in the statement of total recognised gains and losses and in endowments; other donations are recognised by inclusion as other income in the income and expenditure account.

Non-recurrent grants received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants. Such grants are credited to deferred capital grants and an annual transfer made to the income and expenditure account over the useful economic life of the asset, at the same rate as the depreciation charge on the asset for which the grant was awarded.

Income from the sale of goods or services is credited to the income and expenditure account when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Endowment and investment income is credited to the income and expenditure account on a receivable basis. Income from restricted endowments not expended in accordance with the restrictions of the endowment, is transferred from the income and expenditure account to restricted endowments. Any realised gains or losses from dealing in the related assets are retained within the endowment in the balance sheet.

Any increase in value arising on the revaluation of fixed asset investments is carried as a credit to the revaluation reserve, via the statement of total recognised gains and losses; a diminution in value is charged to the income and expenditure account as a debit, to the extent that it is not covered by a previous revaluation surplus.

Increases or decreases in value arising on the revaluation or disposal of endowment assets i.e. the appreciation or depreciation of endowment assets, is added to or subtracted from the funds concerned and accounted for through the balance sheet by debiting or crediting the endowment asset, crediting or debiting the endowment fund and reported in the statement of total recognised gains and losses.

Agency Arrangements

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.

Leases and Hire Purchase Contracts

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Taxation

The University is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The University receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Land and Buildings

The land on which the campus is situated has been gifted and is therefore not shown at cost or valuation. Other land and buildings are stated at cost. Buildings, including leasehold, are depreciated taking into account age, depreciation to date, and useful life or duration of lease.

Capitalised buildings are depreciated over their useful economic life according to their constituent parts as follows:

Long-term e.g. foundations & structure (30%-40% of cost)	- 80 years
Medium-term e.g. services (35%-45% of cost)	- 10 to 40 years
Short-term e.g. internal fittings (20%-25% of cost)	- 5 to 10 years

These rates have been implemented for all assets with effect from 1st August 2000.

Where buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Refurbishment improvements costing less than £25,000 per individual item or group of related items is written off to the income and expenditure account in the year of construction. All other refurbishment improvements are capitalised and depreciated over 15 years which is the expected interval between such refurbishments.

A review for impairment of all assets categorised as freehold and leasehold land and buildings, in the year end financial statements, is carried out annually.

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

Maintenance of Premises

The University's long term maintenance arrangements are based on the Condition Survey, which forms the basis of the ongoing maintenance of the estate. The cost of routine and long term maintenance is charged as incurred to the income and expenditure account.

Equipment

Equipment costing less than £25,000 per individual item or group of related items is written off to the income and expenditure account in the year of acquisition. All other equipment is capitalised at cost. Capitalised equipment is depreciated over its useful economic life as follows:

Telephone equipment	- duration of lease
Other general equipment	- 3 years
Equipment acquired for specific research projects	- life of project (generally 3 years)

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to income and expenditure account over the expected useful economic life of the related equipment.

Software

Costs associated with the implementation of corporate information systems are capitalised and depreciated over the expected useful life of the systems.

Heritage Assets

Works of art and other valuable artefacts (heritage assets) and valued at over £25,000 have been capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable.

Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Investments

Listed investments held as fixed assets or endowment assets are shown at market value. Investments in subsidiary undertakings are shown at the lower of cost or net realisable value, and investments in associates are shown in the consolidated balance sheet at attributable share of net assets.

Current asset investments, which may include listed investments, are shown at the lower of cost and net realisable value.

Interests in land and buildings held for their investment potential are included in the balance sheet at their market value without charging depreciation.

Stocks

Stocks are stated at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

Fish Farm stocks are computed on a going concern basis using values agreed for insurance purposes, suitably discounted to arrive at a cost equivalent.

Cash Flows and Liquid Resources

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, cash at bank, and deposits repayable on demand. Deposits are repayable on demand if they are available within 24 hours without penalty. No other investments, however liquid, are included as cash.

Liquid resources comprise assets held as readily disposable store of value. They include term deposits, government securities and loan stock held as part of the University's treasury management activities. They exclude any such assets held as endowment asset investments.

Foreign Currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling either at end of year rates or, where there are related forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

Accounting for Charitable Donations

Unrestricted donations

Charitable donations are recognised in the accounts when the charitable donation has been received or if, before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability.

Endowment Funds

Where charitable donations are to be retained for the benefit of the University as specified by the donors, these are accounted for as endowments. There are three main types:

1. 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
2. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University can convert the donated sum into income
3. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective

Total return on investment for permanent endowments

Total return is the whole of the investment return received by the University on the permanent endowment funds regardless of how it has arisen.

The total return, less any part of the return which has previously been applied for the purposes of the University, remains in the unapplied total return fund. This fund remains part of the permanent endowment until such time as a transfer is made to the income and expenditure account.

Donations for fixed assets

Donations received to be applied to the cost of a tangible fixed asset are shown on the balance sheet as a deferred capital grant. The deferred capital grant is released to the income and expenditure account over the same estimated useful life that is used to determine the depreciation charge associated with the tangible fixed asset.

Gifts in Kind, including Donated Tangible Fixed Assets

Gifts in kind are included in 'other income' or 'deferred capital grants' as appropriate using a reasonable estimate of their gross value or the amount actually realised.

Accounting for Retirement Benefits

The University has fully adopted accounting standard FRS 17 "Retirement Benefits" in the preparation of these financial statements. The impact of this standard has been reflected throughout.

The difference between the fair value of the assets held in the University's defined benefit scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method (for USPS) and attained age method (for USPSCS) are recognised in the University's balance sheet as a pension scheme asset or liability as appropriate. The pension scheme balance is recognised net of any related deferred tax balance.

Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the University are charged to the Statement of Total Recognised Gains and Losses in accordance with FRS 17 "Retirement Benefits".

The two principal pension schemes of the University are The Universities Superannuation Scheme covering academic and related staff and the University of Stirling Pension Scheme covering other staff. In addition, the University has set up a scheme for the non academic staff transferred from the former Colleges of Nursing under a contract from the Scottish Executive. This Scheme was initiated on 1st September 1996. The operating principles of the schemes are as follows:

Universities Superannuation Scheme

The University participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The University of Stirling Pension Scheme

The University of Stirling Pension Scheme is a defined benefit scheme which is contracted out of the State Earnings-Related Pension Scheme. The assets of the Scheme are held separately from those of the University. The Trustees have invested the Funds with Legal & General Investment Management, Schroder Investment Management and Mellon Global Investment Limited. The administration and actuarial services are provided by Aon Consulting. Contributions to the Scheme are calculated so as to spread the cost of pensions over employees' working lives with the University. The Contributions are determined by an actuary on the basis of triennial valuations using the Projected Unit Method.

The University of Stirling Pension Scheme for Contract Staff

The University of Stirling Pension Scheme for Contract Staff is a defined benefit scheme which is contracted out of the State Earnings-Related Pension Scheme. The assets of the Scheme are held separately from those of the University. The Trustees have invested the Funds with Friends Provident Corporate Pensions Ltd. The administration and actuarial services are also provided by Friends Provident with Aon Consulting providing independent advice. Contributions to the Scheme are calculated so as to spread the cost of pensions over employees' working lives with the University. The Contributions are determined by an actuary on the basis of triennial valuations using the Age Attained Method.

Variations from regular cost are spread over the expected average remaining working lifetime of members of the schemes, after making allowances for future withdrawals. A small number of staff remain in other pension schemes.

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.

Contingent liabilities are disclosed by way of a note, when the definition of a provision is not met and includes three scenarios: possible rather than a present obligation; a possible rather than a probable outflow of economic benefits; an inability to measure the economic outflow.

Contingent assets are disclosed by way of a note, where there is a possible, rather than present, asset arising from a past event.

INCOME AND EXPENDITURE ACCOUNT

for the year ended 31st July 2010

	Note	2010 £'000	2009 £'000
INCOME			Restated
Funding Council Grants	1	43,203	42,832
Tuition Fees and Education Contracts	2	25,065	20,940
Research Grants and Contracts	3	8,107	7,930
Other Income	4	25,542	24,389
Endowment and Investment Income	5	31	231
Total Income		<u>101,948</u>	<u>96,322</u>
EXPENDITURE			
Staff Costs	6	57,689	59,243
Other Operating Expenses	7	30,886	30,389
Depreciation	10	8,262	6,606
Interest Payable	8	182	45
Total Expenditure	9	<u>97,019</u>	<u>96,283</u>
Surplus on continuing operations after Depreciation of Fixed Assets and before Tax		4,929	39
Taxation		<u>0</u>	<u>0</u>
Surplus on continuing operations after Depreciation of Fixed Assets and after Tax		4,929	39
Transfer from accumulated income within endowment funds		(13)	59
Surplus for the year retained within General Reserves		<u>4,916</u>	<u>98</u>

It is considered there will be no corporation tax liability for the year.
The income and expenditure account is in respect of continuing activities.
There is no difference between these figures and historical cost figures.

BALANCE SHEETas at 31st July 2010

	Note	2010 £'000	2009 £'000
Fixed Assets			
Tangible Assets	10	78,827	73,844
Investments	11	<u>399</u>	<u>292</u>
		<u>79,226</u>	<u>74,136</u>
Endowment Assets	12	<u>1,347</u>	<u>1,262</u>
Current Assets			
Stocks		578	543
Debtors	13	8,555	7,539
Investments		0	0
Cash at Bank and in Hand		<u>4,780</u>	<u>6,381</u>
		<u>13,913</u>	<u>14,463</u>
Creditors: Amounts falling due within one year	14	<u>(19,068)</u>	<u>(22,906)</u>
Net Current Liabilities		<u>(5,155)</u>	<u>(8,443)</u>
Total Assets less Current Liabilities		75,418	66,955
Creditors: Amounts falling due after more than one year	15	(5)	(10)
Provisions for Liabilities and Charges	17	<u>(1,059)</u>	<u>(3,599)</u>
Net Assets excluding Pensions Liability		<u>74,354</u>	<u>63,346</u>
Net Pensions Liability		<u>(14,978)</u>	<u>(15,873)</u>
Net Assets including Pensions Liability		<u><u>59,376</u></u>	<u><u>47,473</u></u>
	Note	2010 £'000	2009 £'000
Deferred Capital Grants	18	<u>36,810</u>	<u>30,415</u>
Endowments			
Permanent	19	222	205
Expendable	19	<u>1,125</u>	<u>1,057</u>
		<u>1,347</u>	<u>1,262</u>
Reserve			
General Reserve	20	<u>36,197</u>	<u>31,669</u>
Pension Reserve	20	<u>(14,978)</u>	<u>(15,873)</u>
Total Reserves		<u>21,219</u>	<u>15,796</u>
Total		<u><u>59,376</u></u>	<u><u>47,473</u></u>

The financial statements on pages 1 to 33 were approved by the University Court on the 13th December 2010 and signed on its behalf by:

G. McCormac
Principal and Vice-Chancellor

P. Grice
Finance and Resources Committee

L. F. McCabe
Director of Finance

CASH FLOW STATEMENT

for the year ended 31st July 2010

	Note	2010 £'000	2009 £'000
			Restated
Cash flow from Operating Activities	21	6,139	6,246
Returns on Investment and Servicing of Finance	22	31	222
Taxation		0	0
Capital Expenditure and Financial Investment	23	(7,699)	121
Management of Liquid Resources	25	0	0
Financing	24	(5)	(1,005)
Increase/(Decrease) in Cash in the year		<u>(1,534)</u>	<u>5,584</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBTS)

	Note	2010 £'000	2009 £'000
Increase/(Decrease) in Cash in the year		(1,534)	5,584
Cash outflow/(inflow) from Liquid Resources	25	0	0
Cash outflow/(inflow) from new loan	24	0	0
Cash outflow in respect of loan and lease finance repayments	24	5	1,005
Change in Net Funds/(Debts) resulting from cash flows		<u>(1,529)</u>	<u>6,589</u>
Finance Lease non-cash transaction	25	0	0
Movement in Net Funds/(Debts) in Period		<u>(1,529)</u>	<u>6,589</u>
Net Funds/(Debts) at 1 st August	25	7,479	890
Net Funds/(Debts) at 31st July	25	<u>5,950</u>	<u>7,479</u>

STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES

for the year ended 31st July 2010

	Note	2010 £'000	2009 £'000
			Restated
Surplus on continuing operations after Depreciation of Fixed Assets and after Tax		4,929	39
Appreciation of Endowment Asset Investments	19	17	(7)
New endowments	19	55	12
Actuarial gain/loss in respect of pension scheme	26	507	(8,234)
Total gains and losses recognised in the year		<u>5,508</u>	<u>(8,191)</u>
Reconciliation			
Opening reserves and endowments		17,058	25,248
Total recognised gains and losses for the year		5,508	(8,190)
Closing reserves and endowments		<u>22,566</u>	<u>17,058</u>

NOTES TO THE ACCOUNTS

Management have taken the opportunity to reclassify certain elements of income and expenditure in 2010 to give a more appropriate presentation of the figures. As a result, prior year (2009) comparatives have been restated in Notes 1, 4, 5, 6, 7 and 8. Notes 2 and 3 have also been restated as these now exclude the element of studentship grants retained by students for maintenance or living costs where it is recognised the University acts as a paying agent.

	2010	2009
	£'000	£'000
Note		
1. Scottish Funding Council Grants		Restated
General Fund - Teaching	28,990	28,461
General Fund - Research	8,205	8,973
Horizon Fund	3,115	3,922
Other SFC Grants	264	0
Deferred Capital Grants Released in Year		
Buildings (note 18)	1,675	808
Equipment (note 18)	954	669
	<u>43,203</u>	<u>42,832</u>
2. Tuition Fees and Education Contracts		Restated
UK and EU Fees	13,779	11,447
Non-EU Fees	10,083	8,279
Non-credit Bearing Course Fees	964	916
Research Training Support Grants	239	298
	<u>25,065</u>	<u>20,940</u>
3. Research Grants and Contracts		Restated
Research Councils	2,239	2,655
UK Charities	1,209	1,202
Government Departments	2,968	2,681
UK Industry and Commerce	215	174
European Commission	1,080	668
Other Overseas	304	448
Other	92	102
	<u>8,107</u>	<u>7,930</u>

NOTES TO THE ACCOUNTS - continued

Note	2010	2009
	£'000	£'000
4. Other Income		Restated
Consultancy and Other Services Rendered	4,452	4,200
Catering	949	822
Residences	8,015	7,637
Commercial Operations	1,211	1,054
Stirling Management Centre	3,628	3,341
Aquaculture External Facilities	1,172	1,154
Sports Development Services	1,650	1,788
Other Income	3,532	3,698
Released from Deferred Capital Grants		
Buildings (note 18)	873	646
Equipment (note 18)	60	49
	<u>25,542</u>	<u>24,389</u>
5. Endowment and Investment Income		Restated
Income from Expendable Endowments (note 19)	5	10
Income from Permanent Endowments (note 19)	2	3
Income from Short Term Deposits	0	0
Other Interest Receivable	24	218
	<u>31</u>	<u>231</u>

NOTES TO THE ACCOUNTS - continued

Note	2010	2009
6. Staff Costs		Restated
Staff Numbers by Major Category	F.T.E.s	F.T.E.s
Academic Departments	587	606
Academic Services	110	123
Administration and Central Services	238	238
Premises	154	156
Research Grants and Contracts	99	133
Catering and Residences	107	132
Miscellaneous/Other	66	52
	<u>1,361</u>	<u>1,440</u>
Staff Costs	£'000	£'000
Wages and Salaries	47,341	48,745
Social Security Costs	3,469	3,896
Other Pension Costs	6,879	6,602
	<u>57,689</u>	<u>59,243</u>
		Restated
Academic Departments	29,269	30,421
Academic Services	4,453	4,825
Administration and Central Services	7,928	7,667
Premises	3,180	3,233
Research Grants and Contracts	4,774	4,553
Catering, Residences and Commercial Operations	3,985	4,504
Miscellaneous/Other	4,100	4,040
	<u>57,689</u>	<u>59,243</u>
Number of staff who received emoluments in the following ranges		
(including the Principal and Vice-Chancellor)	Number	Number
£70,000 - £79,999	19	16
£80,000 - £89,999	21	14
£90,000 - £99,999	10	4
£100,000 - £109,999	4	1
£110,000 - £119,999	1	0
£120,000 - £129,999	1	0
£140,000 - £149,999	1	1
£160,000 - £169,999	1	0
£210,000 - £219,999	0	1
Total number of high earners	<u>58</u>	<u>37</u>

Of the 58 high earners in 2009/10, 20 are as a result of Voluntary Severance payments made. These are non-recurring costs.

NOTES TO THE ACCOUNTS - continued

Emoluments of the Principal and Vice-Chancellor	£'000	£'000
Professor Christine Hallett (left 30th April 2010)		
Salary	162	213
Benefits in kind	2	2
	164	215
Pension Contributions	25	30
Professor Gerry McCormac (started 1st May 2010)		
Salary	48	0
Benefits in kind	0	0
	48	0
Pension Contributions	8	0
Total emoluments of the Principals:		
Salary	210	213
Benefits in kind	2	2
	212	215
Pension Contributions	33	30

Emoluments of the Principal and Vice-Chancellor are shown on the same basis as for other higher paid staff with the addition of non-monetary benefits as agreed with the Inland Revenue in 1997. Pension contributions are in respect of employer's contributions to USS.

NOTES TO THE ACCOUNTS - continued

Note	2010 £'000	2009 £'000
7. Other Operating Expenses		Restated
Academic Departments	6,479	6,448
Academic Services	2,129	1,971
Administration and Central Services	5,018	4,750
Premises	5,055	4,979
Research Grants and Contracts	1,617	1,857
Consultancy and Other Services Rendered	1,737	1,422
Catering	1,059	638
Residences	2,814	2,727
Commercial Operations	651	567
Stirling Management Centre	1,944	2,036
Aquaculture External Facilities	451	483
Sports Development Services	664	350
Miscellaneous	1,003	(979)
Early Retirement & Severance	265	3,140
	<u>30,886</u>	<u>30,389</u>
Other operating expenses include:		
Auditors' remuneration		
External Auditors		
- for the audit of the financial statements	38	36
- other services	31	25
Internal Auditors	46	60
	<u>115</u>	<u>121</u>
8. Interest Payable		
Bank loans not wholly repayable within five years	0	9
Net Pension finance cost	182	36
	<u>182</u>	<u>45</u>

NOTES TO THE ACCOUNTS - continued

Note

9. Analysis of 2009-2010 Expenditure by Activity

	Staff Costs £'000	Depreciation £'000	Other Operating Expenses £'000	Interest Payable £'000	Total £'000
Academic Departments	29,269	0	6,479	0	35,748
Academic Services	4,453	0	2,129	0	6,582
Administration and Central Services	7,928	0	5,018	0	12,946
Premises	3,180	5,965	5,055	0	14,200
Research Grants and Contracts	4,774	0	1,617	0	6,391
Consultancy and Other Services Rendered	1,995	0	1,737	0	3,732
Catering	240	0	1,059	0	1,299
Residences	3,313	1,710	2,814	0	7,837
Commercial Operations	432	0	651	0	1,083
Stirling Management Centre	479	536	1,944	0	2,959
Aquaculture External Facilities	677	51	451	0	1,179
Sports Development Services	1,550	0	664	0	2,214
Miscellaneous	(607)	0	1,003	182	578
Early Retirement & Severance	6	0	265	0	271
Total per Income and Expenditure Account	<u>57,689</u>	<u>8,262</u>	<u>30,886</u>	<u>182</u>	<u>97,019</u>

The depreciation charge has been funded by:

Deferred Capital Grants Released	3,562	(note 18)
General Income	<u>4,700</u>	
	<u>8,262</u>	

Miscellaneous staff costs includes the FRS 17 net gain of £570K along with the release of a framework provision no longer required.

Miscellaneous Other Operating Expenses includes increased provisions in respect of staff legal claims (£215K), bad debts (£325K) and pension scheme buy-out (£300K).

NOTES TO THE ACCOUNTS - continued

Note

10. Tangible Fixed Assets

	Land, Buildings & Assoc. Equip.		Equipment £'000	Leased Equipment £'000	Assets Under Construction £'000	Total £'000
	Freehold £'000	Leasehold £'000				
At 1 st August 2009						
Cost	102,070	101	11,352	129	3,125	116,777
Additions at Cost	9,536	0	1,912	0	1,796	13,245
Disposals at Cost	0	0	(252)	0	0	(252)
Transfers	2,762	0	289	0	(3,051)	(0)
Revaluation in Year	0	0	0	0	0	0
At 31 st July 2010						
Cost	<u>114,368</u>	<u>101</u>	<u>13,301</u>	<u>129</u>	<u>1,871</u>	<u>129,770</u>
Depreciation						
At 1 st August 2009	33,325	56	9,423	129	0	42,933
Charge for Year	5,948	2	2,312	0	0	8,262
Eliminated by Disposals	0	0	(252)	0	0	(252)
Transfers	0	0	0	0	0	0
At 31 st July 2010	<u>39,273</u>	<u>58</u>	<u>11,483</u>	<u>129</u>	<u>0</u>	<u>50,943</u>
Net Book Value						
At 31 st July 2010	<u>75,095</u>	<u>43</u>	<u>1,818</u>	<u>0</u>	<u>1,871</u>	<u>78,827</u>
At 1 st August 2009	<u>68,745</u>	<u>45</u>	<u>1,929</u>	<u>0</u>	<u>3,125</u>	<u>73,844</u>

Buildings with a net book value of £3,387,000 and cost £8,767,000 have been funded from Treasury Sources. In the event of these particular buildings being sold, the University would either have to surrender proceeds to the Treasury or use them in accordance with the Financial Memorandum with the Scottish Funding Council.

Software with a net book value of £31,000 is included within Equipment.

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

Historic land

The University considers that due to the incomparable nature of the relevant land, conventional valuation approaches lack sufficient reliability and that, even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by the users of the accounts. The University does not recognise this asset on its Balance Sheet.

Library collections

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

Artefacts

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

NOTES TO THE ACCOUNTS - continued

Note	2010	2009
	£'000	£'000
11. Investments		
Listed Investments		
Balance as at 1 st August	292	317
Additions	30	120
Disposals	(47)	(113)
Appreciation on Disposals/Revaluation of Investments	124	(32)
Balance as at 31 st July	<u>399</u>	<u>292</u>
Fixed interest stocks and equities at Historical Cost	<u>389</u>	<u>389</u>
12. Endowment Assets		
Balance as at 1 st August	1,262	1,316
New endowments invested	55	12
(Decrease) / increase in market value of investments	17	(7)
Increase / (decrease) in cash balances held for endowment funds	13	(59)
Balance as at 31 st July	<u>1,347</u>	<u>1,262</u>
Represented by:		
Fixed interest stocks (listed)	15	15
Equities (listed)	127	109
Equities (unlisted)	25	25
Land and property	0	0
Cash balances (note 25)	1,180	1,113
Total	<u>1,347</u>	<u>1,262</u>
Fixed interest stocks and equities at Historical Cost	<u>118</u>	<u>118</u>

NOTES TO THE ACCOUNTS - continued

Note	2010 £'000	2009 £'000
13. Debtors		
Amount falling due within one year:		
Debtors	5,314	5,929
Prepayments and accrued income	3,191	1,460
Debtors falling due after more than one year	50	150
	<u>8,555</u>	<u>7,539</u>
14. Creditors: Amounts falling due within one Year		
Bank and other loans	5	5
Creditors	7,508	8,073
Accruals and deferred income	10,221	13,388
Social security and other taxation payable	1,334	1,440
	<u>19,068</u>	<u>22,906</u>
15. Creditors: Amounts falling due after more than one Year		
Bank and other loans	5	10
	<u>5</u>	<u>10</u>

NOTES TO THE ACCOUNTS - continued**16. Loans and overdrafts**

The University has a £20 million revolving credit facility in place with Barclays and Lloyds, available to draw down as and when required.

Loans and overdrafts are repayable as follows:

	2010	2009
	£'000	£'000
In one year or less	5	5
Between one and two years	5	5
Between two and five years	0	5
In five years or more	0	0
Total	<u>10</u>	<u>15</u>

17. Provisions for Liabilities and Charges

	Staff			
	Restructure	EC Projects	Other	Total
	£'000	£'000	£'000	£'000
At 1st August 2009	3,186	178	235	3,599
Utilised in the year	(3,186)	(25)	0	(3,211)
Released in the year	0	184	(35)	(219)
Transferred from I & E account	114	84	692	890
At 31st July 2010	<u>114</u>	<u>53</u>	<u>892</u>	<u>1,059</u>

The provision for Staff Restructure reflects the confirmed uptake of the voluntary severance scheme at the date of approval of these financial statements. The provision for EC projects relates to possible re-imburement due on European Commission funded projects following assessment of the projects by the Commission.

NOTES TO THE ACCOUNTS - continued

Note

18. Deferred Capital Grants

	Funding Council £'000	Other Grants and Gifts £'000	Total £'000
At 1st August 2009			
Buildings	18,188	11,715	29,903
Equipment	<u>482</u>	<u>30</u>	<u>512</u>
Total	<u>18,670</u>	<u>11,745</u>	<u>30,415</u>
Transferred from deferred income			
Buildings	2,919	847	3,766
Equipment	<u>1,275</u>	<u>155</u>	<u>1,430</u>
Total	<u>4,194</u>	<u>1,002</u>	<u>5,196</u>
Cash received in-year			
Buildings	4,261	500	4,761
Equipment	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>4,261</u>	<u>500</u>	<u>4,761</u>
Released to income and expenditure account			
Buildings (notes 1 and 4)	(1,675)	(873)	(2,548)
Equipment (notes 1 and 4)	<u>(954)</u>	<u>(60)</u>	<u>(1,014)</u>
Total (note 9)	<u>(2,629)</u>	<u>(933)</u>	<u>(3,562)</u>
At 31st July 2010			
Buildings	23,693	12,189	35,882
Equipment	<u>803</u>	<u>125</u>	<u>928</u>
Total	<u>24,496</u>	<u>12,314</u>	<u>36,810</u>

NOTES TO THE ACCOUNTS - continued

19. Endowments

	Restricted Permanent £'000	Restricted Expendable £'000	2010 Total £'000	2009 Total £'000
Balance as at 1st August				
Capital	134	702	836	840
Accumulated income	71	355	426	476
	<u>205</u>	<u>1,057</u>	<u>1,262</u>	<u>1,316</u>
New Endowments	0	55	55	12
Investment Income	2	5	7	13
Expenditure	(2)	8	6	(72)
	(0)	13	13	(59)
(Decrease)/Increase in market value of investments	17	0	17	(7)
Balance as at 31st July	<u>222</u>	<u>1,125</u>	<u>1,347</u>	<u>1,262</u>
Representing				
Capital	151	756	907	836
Accumulated income	71	369	440	426
Total	<u>222</u>	<u>1,125</u>	<u>1,347</u>	<u>1,262</u>

20. General Reserve

	2010 £'000	2009 £'000
Income and Expenditure Account		
Balance as at 1 st August	15,796	23,932
Historical Cost Surplus after		
Depreciation of Assets and Tax	4,916	98
Actuarial gain/(loss) on pension scheme liability	507	(8,234)
At 31st July	<u>21,219</u>	<u>15,796</u>
Represented by:		
Income and Expenditure Account		
Balance as at 1 st August	31,669	32,121
Historical Cost Surplus after		
Depreciation of Assets and Tax	4,916	98
Transfer from Pension Reserve	(388)	(550)
	<u>36,197</u>	<u>31,669</u>
Pension Reserve		
Deficit in schemes at beginning of year	(15,873)	(8,189)
Movement in year:		
Current Service Cost	(1,928)	(1,974)
Contributions	2,498	2,560
Net Return on Assets	(182)	(36)
Actuarial Gain/(Loss)	507	(8,234)
Deficit in Scheme at end of year	<u>(14,978)</u>	<u>(15,873)</u>
Reconciliation		
Income and Expenditure Account	36,197	31,669
Pension Reserve	<u>(14,978)</u>	<u>(15,873)</u>
	<u>21,219</u>	<u>15,796</u>

NOTES TO THE ACCOUNTS - continued

Note	2010 £'000	2009 £'000
21. Reconciliation of Operating Surplus to Net Cash Inflow from Operating Activities		Restated
Surplus on continuing operations after depreciation of assets and before tax	4,929	39
Pension Costs less contributions payable (note 26)	(570)	(586)
Depreciation (note 10)	8,262	6,606
Revaluation of Investments (note 11)	(124)	32
Deferred Capital Grants Released to Income (note 18)	(3,562)	(2,172)
Profit on disposal of tangible fixed assets	0	0
Investment income and net endowment receivable	(31)	(195)
Interest payable (note 8)	182	9
(Increase) in stocks	(36)	(8)
Decrease in debtors/prepayments	(1,016)	306
Increase/(Decrease) in creditors/accruals	644	1,418
Increase/(Decrease) in provisions	(2,539)	797
Net cash inflow from operating activities	6,139	6,246
22. Returns on Investment and Servicing of Finance		
Income from endowments (note 19)	7	13
Other interest received (note 5)	24	218
Interest paid	0	(9)
Net cash outflow from returns on investments and servicing of finance	31	222
23. Capital Expenditure and Financial Investment		Restated
Purchase of tangible fixed assets (Other than leased equipment)	(12,532)	(6,008)
Purchase of investments (note 11)	(30)	(120)
Sale of investments (note 11)	47	113
Payments to acquire endowment assets	(12)	(67)
Sale of Tangible Fixed Assets	0	0
Receipt from sale of endowment assets	12	67
Deferred capital grants received	4,761	6,124
Endowments received (note 19)	55	12
Net cash outflow in respect of capital expenditure and financial investment	(7,699)	(121)

NOTES TO THE ACCOUNTS - continued

Note

24. Analysis of Changes in Financing during the Year

	Total £'000	Finance Leases £'000	Loans £'000
Balances at 1 st August 2008	1,020	0	1,020
New leases/loans	0	0	0
Capital Repayments	(1,005)	0	(1,005)
Net Amount Repaid in Year	<u>(1,005)</u>	<u>0</u>	<u>(1,005)</u>
Balances at 31 st July 2009	15	0	15
New leases/loans	0	0	0
Capital Repayments	(5)	0	(5)
Net Amount Acquired/(Repaid) in Year	<u>(5)</u>	<u>0</u>	<u>(5)</u>
Balances at 31 st July 2010	<u>10</u>	<u>0</u>	<u>10</u>

25. Analysis of Changes in Net Funds

	At 1st August 2009 £'000	Cash flows £'000	Non- cash Changes £'000	At 31st July 2010 £'000
Cash in hand, and at bank	6,381	(1,601)	0	4,780
Endowment asset investments (note 12)	<u>1,113</u>	<u>67</u>	<u>0</u>	<u>1,180</u>
	7,494	(1,534)	0	5,960
Short term deposits	0	0	0	0
Debt due within one year	(5)	0	0	(5)
Debt due after one year	(10)	5	0	(5)
Finance leases	0	0	0	0
Total	<u>7,479</u>	<u>(1,529)</u>	<u>0</u>	<u>5,950</u>

NOTES TO THE ACCOUNTS - continued

Note

26. Pension Schemes

Composition of Schemes

The University participates in three defined benefit contracted out pension schemes, the Universities Superannuation Scheme (USS), the University of Stirling Pension Scheme (USPS) and the University of Stirling Pension Scheme for Contract Staff (USPSCS).

The total pension costs for the University were:

	31/07/10	31/07/09
	£'000	£'000
USS: contributions paid	5,136	4,740
USPS/USPSCS:		
Contributions paid	2,313	2,448
FRS 17 charge	(570)	(586)
Charge to the Income and Expenditure Account (staff costs)	1,743	1,862
Total Pension Costs (Note 6)	<u>6,879</u>	<u>6,602</u>

The University also incurs cost of £87K per annum for the Falkirk Pension Scheme which has one active member in employment.

Contributions amounting to £635K (2009: £626K) were payable to the schemes and are included in creditors.

USS provides benefits based on final pensionable salary for academic and related employees at UK Universities. USPS and USPSCS provide similar benefits for other staff of the University.

University of Stirling Pension Scheme (USPS) and the University of Stirling Pension Scheme for Contract Staff (USPSCS)

A full actuarial valuation of USPS was carried out as at the 1st August 2006 and updated to the 31st July 2009 by a qualified independent actuary. An actuarial valuation of USPSCS was carried out as at the 1st September 2008 by a qualified independent actuary. The employer contribution rate for USPS remains the same at 24.9% and the employer contribution rate for USPSCS has increased from 29.1% to 33.75%.

The principal assumptions, used by the actuary, for the USPS and USPSCS schemes were:

	At	At	At
	31/07/10	31/07/09	31/07/08
Rate of increase in salaries	4.5%	4.6%	4.7%
Rate of increase for pensions in payment	3.5%	3.5%	3.5%
Discount rate for scheme liabilities	5.4%	6.0%	6.5%
Rate of increase of deferred pensions	3.5%	3.6%	3.7%
Inflation assumption	3.0%	3.6%	3.7%

Note: Rate of increase in salaries has been assumed as 1% per annum for the first 3 years increasing to 4.5% per annum thereafter.

NOTES TO THE ACCOUNTS - continued

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

	At 31/07/10	At 31/07/09
<i>Retiring today/current pensioners</i>		
Males	20.70	20.60
Females	22.70	23.10
<i>Retiring in 20 years/future pensioners</i>		
Males	23.50	21.90
Females	24.60	24.30

The assets and liabilities in the USPS and USPCS schemes and the expected rates of return were:

Equities	8.0%	8.4%	8.4%
Bonds	4.4%	6.0%	6.6%
Property	6.0%		
Other*	0.5%	0.5%	4.9%
	Value at 31/07/10 £m	Value at 31/07/09 £m	Value at 31/07/08 £m
Equities	35.0	31.8	27.8
Bonds	8.0	7.6	5.0
Other	2.6	0.3	5.3
Total market value of assets	<u>45.6</u>	<u>39.7</u>	<u>38.1</u>
Present value of schemes' liabilities	(60.5)	(55.6)	(46.3)
Deficit in schemes	<u>(14.9)</u>	<u>(15.9)</u>	<u>(8.2)</u>

NOTES TO THE ACCOUNTS - continued

	31/07/10 £'000	31/07/09 £'000
Analysis of Amount Charged to Operating Profit		
Current service cost	1,928	1,974
Total operating charge	<u>1,928</u>	<u>1,974</u>
Analysis of amounts credited to Other Investment Income		
Expected return on pension schemes' assets	3,151	2,963
Interest cost	<u>(3,333)</u>	<u>(2,999)</u>
Net return	<u>(182)</u>	<u>(36)</u>
Analysis of amounts recognised in STRGL		
Difference between actual return and expected return on pension scheme's assets	2,139	(2,347)
Experience gains and losses arising on the schemes' liabilities	1,402	(526)
Changes in financial assumptions underlying the schemes' liabilities	<u>(3,034)</u>	<u>(5,361)</u>
Actuarial Gain/(Loss) recognised in STRGL	<u>507</u>	<u>(8,234)</u>
Movement in Deficit Through the Year		
Deficit in Schemes at beginning of year	(15,873)	(8,189)
Current Service Cost	(1,928)	(1,974)
Contributions	2,498	2,560
Other Finance Income	(182)	(36)
Actuarial Gain/(Loss)	507	(8,234)
Deficit in Schemes at end of year	<u>(14,978)</u>	<u>(15,873)</u>
Movement in present value of schemes' liabilities		
Liability at beginning of year	55,573	46,291
Service Cost	1,928	1,974
Employee Contributions	485	496
Interest Cost	3,333	2,999
Actuarial Losses/(Gains)	1,631	5,887
Benefits Paid	<u>(2,443)</u>	<u>(2,074)</u>
Liability at end of year	<u>60,507</u>	<u>55,573</u>
Movement in market value of schemes' assets		
Asset at beginning of year	39,700	38,102
Expected Return	3,151	2,963
Actuarial Gains/(Losses)	2,139	(2,347)
Contributions by Employer	2,498	2,560
Contributions by Members	485	496
Benefits Paid	<u>(2,443)</u>	<u>(2,074)</u>
Asset at end of year	<u>45,530</u>	<u>39,700</u>

NOTES TO THE ACCOUNTS - continued**History of Experience Gains and Losses**

	31/07/10	31/07/09	31/07/08	31/07/07
Difference between the expected and actual return on schemes' assets:				
Amount (£'000)	2,139	(2,347)	(4,072)	974
Percentage of schemes' assets	4.7%	5.9%	10.7%	2.6%
Experience gain/(loss) arising on the schemes' liabilities:				
Amount (£'000)	1,402	(526)	(556)	1,026
Percentage of schemes' liabilities	3.1%	0.9%	1.2%	2.5%
Total amount of actuarial gain/(loss)				
Amount (£'000)	507	(8,234)	(5,673)	7,808
Percentage of schemes' liabilities	1.1%	14.8%	12.3%	18.8%

Universities Superannuation Scheme (USS)

The institution participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited.

The appointment of directors to the board of the trustee is determined by the company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; one is appointed by the Higher Education Funding Councils; and a minimum of two and a maximum of four are co-opted directors appointed by the board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement Benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The latest triennial actuarial valuation of the scheme was at 31st March 2008. This was the first valuation for USS under the new scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31st March 2010 are also included in this note.

The triennial valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. An "inflation risk premium" adjustment was also included by deducting 0.3% from the market-implied inflation on account of the historically high level of inflation implied by government bonds (particularly when compared to the Bank of England's target of 2% for CPI which corresponds broadly to 2.75% for RPI per annum).

NOTES TO THE ACCOUNTS - continued

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 6.4% per annum (which includes an additional assumed investment return over gilts of 2% per annum), salary increases would be 4.3% per annum (plus an additional allowance for increases in salaries due to age and promotion reflecting historic Scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 3.3% per annum.

Standard mortality tables were used as follows:

Male members' mortality	PA92 MC YoB tables – rated down 1 year
Female members' mortality	PA92 MC YoB tables – no age rating

Use of these mortality tables reasonably reflects the actual USS experience but also provides an element of conservatism to allow for further improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

Males (females) currently aged 65	22.8 (24.8) years
Males (females) currently aged 45	24.0 (25.9) years

At the valuation date, the value of the assets of the scheme was £28,842.6 million and the value of the scheme's technical provisions was £28,135.3 million indicating a surplus of £707.3 million. The assets therefore were sufficient to cover 103% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 71%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the Scheme was 107% funded; on a buy-out basis (i.e. assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 79% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, using a AA bond discount rate of 6.5% per annum based on spot yields, the actuary estimated that the funding level at 31st March 2008 was 104%.

The technical provisions relate essentially to the past service liabilities and funding levels, but it is also necessary to assess the ongoing cost of newly accruing benefits. The cost of future accrual was calculated using the same assumptions as those used to calculate the technical provisions except that the valuation rate of interest assumed asset outperformance over gilts of 1.7% per annum (compared to 2% per annum for the technical provisions) giving a discount rate of 6.1% per annum; also the allowance for promotional salary increases was not as high. There is currently uncertainty in the sector regarding pay growth. Analysis has shown very variable levels of growth over and above general pay increases in recent years, and the salary growth assumption built into the cost of future accrual is based on more stable, historic, salary experience. However, when calculating the past service liabilities of the scheme, a cautionary reserve has been included, in addition, on account of the variability mentioned above.

The scheme-wide contribution rate required for future service benefits alone at the date of the valuation was 16% of pensionable salaries and the trustee company, on the advice of the actuary, agreed to increase the institution contribution rate to 16% of pensionable salaries from 1st October 2009.

NOTES TO THE ACCOUNTS - continued

Since 31st March 2008 global investment markets have continued to fluctuate and at 31st March 2010 the actuary has estimated that the funding level under the new scheme specific funding regime had fallen from 103% to 91% (a deficit of £3,065 million). Compared to the previous 12 months, the funding level has improved from 74% (as at 31st March 2009) to 91%. This estimate is based on the funding level at 31st March 2008, adjusted to reflect the fund's actual investment performance over the two years and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions).

On the FRS17 basis, using an AA bond discount rate of 5.6% per annum based on spot yields, the actuary estimated that the funding level at 31st March 2010 was 80%. An estimate of the funding level measured on a buy-out basis at that date was approximately 57%.

Surpluses or deficits which arise at future valuations may impact on the institution's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements. The sensitivities regarding the principal assumptions used to measure the scheme liabilities on a technical provisions basis as at the date of the last triennial valuation are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Valuation rate of interest	Increase/decrease by 0.5%	Decrease/increase by £2.2 billion
Rate of pension increases	Increase/decrease by 0.5%	Increase/decrease by £1.5 billion
Rate of salary growth	Increase/decrease by 0.5%	Increase/decrease by £0.7 billion
Rate of mortality	More prudent assumption (move to long cohort future improvements from the medium cohort adopted at the valuation)	Increase by £1.6 billion

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The trustee believes that over the long-term equity investment and investment in selected alternative asset classes will provide superior returns to other investment classes. The management structure and targets set are designed to give the fund a major exposure to equities through portfolios that are diversified both geographically and by sector. The trustee recognises that it would be theoretically possible to select investments producing income flows broadly similar to the estimated liability cash flows. However, in order to meet the long-term funding objective within a level of contributions that it considers the employers would be willing to make, the trustee needs to take on a degree of investment risk relative to the liabilities. This taking of investment risk seeks to target a greater return than the matching assets would provide whilst maintaining a prudent approach to meeting the fund's liabilities. Before deciding what degree of investment risk to take relative to the liabilities, the trustee receives advice from its internal investment team, its investment consultant and the scheme actuary, and considers the views of the employers. The strong positive cash flow of the scheme means that it is not necessary to realise investments to meet liabilities. The trustee believes that this, together with the ongoing flow of new entrants into the scheme and the strength of covenant of the employers enables it to take a long-term view of its investments. Short-term volatility of returns can be tolerated and need not feed through directly to the contribution rate although the trustee is mindful of the desirability of keeping the funding level on the scheme's technical provisions close to or above 100% thereby minimizing the risk of the induction of deficit contributions. The actuary has confirmed that the scheme's cash flow is likely to remain positive for the next ten years or more.

NOTES TO THE ACCOUNTS - continued

The next formal triennial actuarial valuation is due as at 31st March 2011. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

At 31st March 2010, USS had over 135,000 active members and the institution had 826 active members participating in the scheme.

The total pension cost for the institution was £6,879k, (2009; £6,602k). The contribution rate payable by the institution was 16% of pensionable salaries.

Note

27. Capital Commitments

	2010	2009
	£'000	£'000
Commitments contracted at 31 st July	2,459	9,197
Authorised but not contracted at 31 st July	6,067	2,943
	<u>8,526</u>	<u>12,140</u>

28. Financial Commitments

Operating lease commitments for the 2010 financial year, on leases expiring:

	2010	2009
	£'000	£'000
Within one year	0	0
Between one and five years		
Union Street residential property lease	544	543
Lyon Crescent residential property lease	404	395
Over five years	0	0
	<u>948</u>	<u>938</u>

29. Access Funds

	2010	2009
	£'000	£'000
Balance at 1 st August	50	42
Funding Council grants	565	560
Interest earned	2	3
	<u>617</u>	<u>605</u>
Disbursed to students	(595)	(555)
Balance Unspent as at 31 st July	<u>22</u>	<u>50</u>

The grants and related disbursements are available solely to students, with the University acting as paying agent. These funds are therefore excluded from the Income and Expenditure Account. The University accounts to the Scottish Executive on the use of these funds to the 31st March.

NOTES TO THE ACCOUNTS - continued

Note

30. Contingent Liability

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

The University through a shareholding agreement with Stirling Council has in effect guaranteed 50% of a loan with RBS plc to Stirling University Innovation Park Limited (SUIP Ltd). The purpose of the loan was to purchase two properties. The outstanding balance of the loan is circa £1M.

The University is currently subject to a claim made to Employment Tribunals (Scotland) by the University and College Union (UCU) in relation to employees on fixed term contracts and the voluntary severance scheme offered in 2009. The Employment Tribunal found against the University on the fixed term contracts aspect in a judgement published on 26 November 2010. The University is considering the judgement and is consulting its legal advisers on its next steps. The financial implications of the judgement have not been determined and at the date of approval of these financial statements by Court, cannot be readily ascertained. For these reasons the University does not consider it appropriate to make any provision in these financial statements. In terms of the 2009 voluntary severance scheme, the University, having taken legal advice, strongly disputes this claim and accordingly does not believe it is appropriate to make any provision in respect of it in these financial statements.

NOTES TO THE ACCOUNTS - continued

31. Related party transactions

Mr Tom Spencer was appointed President and Mr Mark Cullen was appointed Vice President (Services) as well as Treasurer of Stirling University Student Association from the 1st June 2008 for a two year period.

The aggregate amounts of transactions between the University and related parties in the year and amounts outstanding at the year-end are:

	Income £'000	Expenditure £'000	Creditor £'000	Debtor £'000
Aquatic Diagnostics				
Staff Secondments, Space & Equipment Recharges	63	6	0	80
MacRobert Arts Centre				
Repairs & Maint, Loan Repay & Interest, Grant, Catering, Facility Hire	277	50	0	97
NHS Forth Valley				
Rent, Repairs & Maint, Recharges, Conf Fees	28	0	0	29
Scottish Environment Protection Agency				
Subsistence & Abstractions Charges	0	12	0	0
Sports Scotland				
Rent, Utilities, Repairs & Maint, Catering, Accommodation	0	(46)	17	0
Stirling University Innovation Park Limited				
Security, Maintenance, Salary Funding and Recharges	27	50	0	8
University of Stirling Students Union				
Utilities, Repairs & Maint, Grant, Rent, Travel	94	24	0	82
Other Related Parties *	4	0	0	0
	<u>493</u>	<u>98</u>	<u>17</u>	<u>295</u>

* Transactions relating to 3 other parties have been aggregated due to their low value.

NOTES TO THE ACCOUNTS - continued

Note

32. University Companies

Subsidiaries

The University owns 100% of the issued share capital of ordinary shares of SURE Limited. The principal activity of the company was to develop and promote research innovation and commercialisation on behalf of the University. The company is currently not operating.

The University owns 100% of the issued share capital of ordinary shares of Machrihanish Marine Farm Limited. The principal activity of the company was the farming of cod. The company is currently not operating.

Investment Assets

The University owns 50% of the issued share capital of Stirling University Innovation Park Limited. The principal activity of the company is the development, promotion and management of Stirling University Innovation Park. In view of the lack of controlling interest, the company's results have not been consolidated into the University's Financial Statements.

33. Works of Art

The University displays a number of valuable works of art, not included in the Balance Sheet. The approximate value of the collection for insurance purposes is £4.7m.

COMPOSITION OF COMMITTEES CONCERNED DIRECTLY WITH FINANCE

In the Year Ended 31st July 2010

Membership of Audit Committee

Mr G M Simmers (Chair) *

Mr R G Burnett *

Mr R G Murray *

Ms M Sweeney *

Professor J C Gemmell *

Membership of Policy & Planning Committee (PPC)

Professor C M Hallett (Chair)

Professor G McCormac (Chair, from May 2010)

Professor N H Keeble

Professor S Burt

Professor I Simpson

Professor G Jarvie

Mr K J Clarke

Mr A G Simpson

Mr T Spencer

Mr P Grice *

Professor R Sugden

Professor P Lee

Professor R Edwards

Professor D Robertson

Ms R Humphrey

Professor A Ginger

Professor P Wookey

Membership of Finance & Resources Committee (FRC)

Mr P Grice (Chair) *

Professor C M Hallett

Professor G McCormac

Professor N H Keeble

Mr A G Simpson

Professor S Burt

Mr G D C Burns *

Mr G Pomphrey *

Mr S Morrow

Professor D Robertson

Professor A Goodacre

Professor D Bell

Mr M Cullen

Mr R Main

* Lay member

Court

(For the year to 31 July 2010)

Ex-Officio Members:

Professor Christine Margaret Hallett to 30 April 2010

MA, PhD, FRSE, *Principal and Vice-Chancellor*

Professor (Francis) Gerard McCormac from 01 May 2010

BSc, PhD, FSA, FHEA, FRSA, *Principal and Vice-Chancellor*

Professor Neil Howard Keeble

BA, DPhil, DLitt, FRSE, FRHistS, FEA, FRSA, *Senior Deputy Principal*

Councillor Fergus Wood

TD, *Provost of Stirling*

Mr Tom Spencer to 31 May 2010

President of USSU

Rhianna Holly Humphrey from 1 June 2010

President of USSU

Mark Cullen to 31 May 2010

BA, Vice-President and Treasurer of USSU

Ross Main from 1 June 2010

Vice-President Development & Activities of USSU

Appointed Members:

Harry Adam

BA, appointed by Alumni Association

Simon Niall Anderson

MA, MSc – appointed by Court

Professor Brian Austin

BSc, PhD, DSc, FHEA, FRSA – appointed by Academic Council

Geoffrey Douglas Charles Burns

BA, MSc – appointed by Court

Professor Richard George Edwards

BA, PhD – appointed by Academic Council

Gillian Geddes

appointed by Staff Assembly

Professor (James) Campbell Gemmell

BSc, PhD, MA, FRSA – appointed by Court

Paul Edward Grice

BSc – appointed by Court

Professor Phyllis Lee

BA, PhD – appointed by Academic Council

Lynne Anne Marr

LLB, DipLP – appointed by Court

Alistair Murray Moffat

MA, CertEd, MPhil – appointed by the Chancellor

Richard Gerard Murray

BA, CA – appointed by Court

Gordon McLaren Pumphrey

BSc – appointed by Court

Carron Elizabeth Shankland

BSc, PhD – appointed by Academic Council

Alan Gordon Simpson

MA – appointed by Court – Chair of Court

Andrew Sturgess

BA – appointed by Court

2 x vacancies – appointed by Academic Council

2 x vacancies – appointed by Court

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