



Edinburgh Napier University

Strategic Report and
Annual Accounts
2022 – 2023



Delivering high quality education and
research to add value to the social,
cultural and economic capital of our
communities and shape their
development

Our Distinctiveness



Image: Image taken from our “Must Be Napier” Brand Campaign, the first of it’s kind for our institution, launched October 2023 ([Check out our video here](#))

We are inclusive in our ethos, applied and collaborative in our approach.

We are based in Edinburgh, but with an international reach.

We have a breadth of disciplines and a size that enables people and ideas to connect.

With a heritage in teaching, a professionally orientated portfolio and high-quality research tackling 'live' challenges, we are making an impact locally, nationally and internationally.

“Our vision is compelling – an enterprising and innovative community, renowned internationally, with an unrivalled student learning experience.”

Andrea Nolan, Principal and Vice-Chancellor

We want to be recognised as acting with respect and integrity, and creating an environment where everyone involved feels proud, confident, challenged and supported.

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We graduated over
**4,800 students in
Edinburgh and
1,070 overseas in
2022/23**

Image: Two Edinburgh Napier University Students outside the Usher Hall at our Summer 2023 Graduations

Principal's Foreword

In last year's annual accounts, I reflected that 2021/22 had been a year unlike any other. As we turn the page on the 2022/23 academic year, I believe that this has been yet another extraordinary year, both in terms of the challenges in our environment but also, and more importantly, our achievements and the opportunities ahead of us.

We care deeply about the difference we make to individuals and society in the City of Edinburgh and the wider world.

A standout theme for me this year was the care that our students and staff demonstrated in the impacts that they delivered. Whether it was organising free breakfasts for our students facing financial difficulties, supporting Ukraine's Lutsk National Technical University as part of the UK university twinning scheme, producing research to improve policy and practice in policing and cardiovascular health, developing 'spinout' companies to protect individuals and business against cyberthreats, our students developing a new book and animation for a social enterprise that provides free period products to people in need, improving neonatal care in partnership with a charity in Vietnam to reduce newborn mortality, or progressing the objectives of our environmental sustainability strategy and signing the Sustainable Development Goals Accord – we care deeply about the differences that we make to individuals and society in the City of Edinburgh and the wider world; they truly reflect the values we hold as a community - to be ambitious, professional, innovative and inclusive.



A handwritten signature in black ink, which reads "Andrea M. Nolan". The signature is written in a cursive style.

Professor Andrea M Nolan, OBE
Principal and Vice-Chancellor

Delivering on our strategic objectives



Build careers – create opportunities

Accredited practice

AdvanceHE 76%

Proportion of academic staff with Advance HE Fellowship.

Employability



79%

of our undergraduate graduates are in professional or managerial professions (**97% in positive destinations**)
– Graduate Outcomes 2020/21 cohort

Widening participation



13%

of our full-time undergraduate entrants were from MD20 postcodes



Grow networks – connect communities

Recognition



#1

Modern University in Scotland and in Top 500 in the world.
– Times Higher Education World University Rankings 2023

Partnership for impact



£141m

in gross value added is expected to be generated from the Mountain Bike Innovation Centre in the Scottish Borders which received planning permission

Accreditation



AACSB

Association to Advance Collegiate Schools of Business accreditation was earned for our business education excellence



Advance knowledge – deliver impact

Research & KE income



£8.9m

was generated from our research and knowledge exchange activities.

Research excellence



13

research centres (with six launched in 2022/23) recognising the breadth and depth of the University's academic expertise

Entrepreneurship



150+

start-ups were supported by our business incubator Bright Red Triangle



Growing sustainably

Emissions reduction



28%

reduction in net carbon emissions (tonnes CO₂) since 2018/19

– Operational emissions

Environmental sustainability



#1

university in Scotland for environmental sustainability and ethics

– People & Planet University League 2022

International reach



27%

of our students are taught in their home country through our Transnational Education partnerships or Global online provision

United Nations Sustainable Development Goals

As a signatory of the Sustainable Development Goals (SDG) Accord, examples of our contributions during 2022/23 towards the United Nations SDGs include:



In response to the cost-of-living crisis, Edinburgh Napier's Student Association launched a community pantry, with the help of the University and donations from students and staff



Edinburgh Napier-led research is helping to detect where large spring-spawning herring shoals are present in West of Scotland waters to conserve and enhance their habitat



Edinburgh Napier co-led research into the mental health of nurses working in critical care during the COVID pandemic with important findings for service delivery and staff wellbeing



Edinburgh Napier University is embedding ENhance, our curriculum enhancement framework, as our approach to deliver excellence in learning and teaching



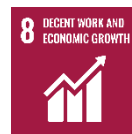
An Edinburgh Napier Professor studying rare and sudden heart attacks in young, healthy women, demonstrated the need for more inclusive cardiac services



Edinburgh Napier University scored the highest marks for water reduction by the People & Planet University League 2022 looking at environmental sustainability



Celtic Renewables, our spinout company, which uses low carbon technology to generate green biofuels and chemicals, has built the first biorefinery of its kind in the world



Our Impact Investment Symposium brought together leaders from many sectors to identify how to enable social enterprises and business for good to scale and address societal challenges



We launched our Innovation Hub in December 2022, to link the expertise and experience of our academic community with business communities from a wide variety of sectors



Along with other universities in Edinburgh, we signed an MoU with a commitment to further develop British Sign Language teaching and research activities.



A team of Edinburgh Napier students and students from partners in China completed a world-first construction project in China based around sustainable bamboo building material



Edinburgh Napier is a partner in £6 million funding from UKRI Industrial Decarbonisation Challenge awarded to accelerate decarbonisation of UK industry



Edinburgh Napier was shortlisted for the prestigious 'University of the Year' at the Times Higher Education Awards based on embedded focus on the themes of wellbeing and sustainability



The world's first community-based mangrove and seagrass conservation project, Mikoko Pamoja, located in Kenya and co-led by Edinburgh Napier marked its 10 years



A student was named Young Volunteer of the Year by Scottish Wildlife Trust for her advocacy for wildlife and educating the wider public about environmental issues



An Edinburgh Napier Professor is co-leading the first ever study assessing complex post-traumatic stress disorder in an active warzone, looking into the trauma caused in Ukraine



The proposal of the Urban Research and Education Knowledge Alliance (UIREKA), of which Edinburgh Napier is a founding member, was selected by the European Commission for funding in the European Universities Initiative call 2023. It has a specific focus to contribute to a sustainable, human, inclusive and future proof transition to climate-neutral and smart cities

Contextual factors

Edinburgh Napier University has many successes to look back on over this past academic year, while continuing to operate in a significantly volatile environment, particularly on economic, policy and regulatory fronts. The following section covers key contextual factors which had a material impact on the University's planning, delivery and performance.

Macroeconomic factors

The Scottish and UK economies have faced significant headwinds over the past academic year, in part due to domestic political instability and wider impacts of the continuing conflict in Ukraine on food and fuel prices. The rate of inflation increased significantly and combined with a tight employment market, this has had wide-ranging consequences on the external environment, our students, as well as on the University's finances. Furthermore, adverse currency fluctuations in key recruitment markets arose that are expected to impact on the cost of study in the UK.

Public funding and regulatory factors

Scottish Government funding of teaching and research in Scottish higher education remained very challenging with sub-inflation increases and was constrained by further factors. As an example, the Scottish Government announced in May it would need to repurpose funds from the 2023/24 budget which had been earmarked to support transformation in the further and higher education sector, to fund increases in teachers' salaries. In addition, the Scottish and UK Governments continued to proceed with programmes of reform for tertiary education. This included the publication of significant reviews of the skills delivery landscape, research and innovation, entrepreneurial campuses, qualifications and assessments and a list of initial priorities for reform in May and June 2023. The University engaged with the review process through consultations and roundtables throughout the academic year.

Geopolitical factors

Whilst Edinburgh Napier University has had very successful international student intakes, geopolitical tensions, competition, as well as domestic issues in key recruitment markets continued to bring uncertainty to international student recruitment and partnership development. The UK Government announced several changes to international student visa schemes – increases to student visa fees and the health surcharge, and restrictions on the ability of non-research students to bring dependents to the UK, thus bringing further uncertainty as we move into a new academic year.

Strategic and operational factors

A number of operational factors and risks had a material impact on projects, decisions and operations of the university including:

- **Sustainability and the climate crisis:** The University continued to make progress against the objectives of its environmental sustainability strategy to achieve net zero operational emissions by 2030. The increased frequency of several climactic episodes highlighted the importance of continuing to pursue this objective. See: [Grow Sustainably – Net Zero 2030](#)
- **Cybersecurity risks:** A number of higher education institutions experienced incidents this year and this is an area requiring sustained vigilance. In October 2022, the University achieved the Cyber Essentials Plus certification after undergoing external certification which helps to ensure that the possibility of disruption or damaged caused by cyber security incidents is minimised and that we fully comply with legislation.
- **Artificial intelligence:** This year saw a significant increase in the development and use of general-purpose artificial intelligence developed by companies such as Open AI, Google and Microsoft. These disruptive technologies have seen a tremendous take-up, including by students, with significant implications for institutions in how they deliver content, assessment and maintain quality and academic integrity. We carried out extensive discussions within the University staff and student community to develop guidance and new policies and procedures to adapt to this changing landscape.
- **Student engagement:** Whilst we have had a good track record of retaining students with successful outcomes, along with others in the sector we experienced a noticeable drop in student engagement, particularly among school leavers. Students who began their studies in 2021/22 did so in an online environment due to the pandemic and had previously experienced a year of disrupted learning in school or college before joining the University, and more of them left the university during their first year than previously. In line with our priorities, plans were put in place to improve retention, focusing on student engagement, assessment, feedback, and induction activities, and will continue into the next academic year.
- **Student recruitment:** Many of the factors that influenced home student recruitment in 2022/23 are external and can be linked to the impact of the pandemic, and the cost-of-living crisis. Whilst it is difficult to make any firm predictions yet over the trends affecting higher education in Scotland, there appears to be a potentially growing tendency for more students to study more locally to their home, which affects the institutions they apply to. The release of many funded places across Scotland through the removal of EU student places has increased the total number of places on degree programmes for domestic students. See: [Student Recruitment](#)



Image: Enjoying the view outside the Lindsay Stewart Lecture Theatre, Craiglockhart Campus

Strategic & Operational Report

OUR STRATEGY

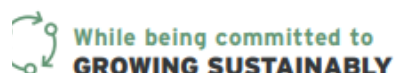
Our strategy, *Shaping Our Future: Driving Distinctiveness*, approved in March 2020, was drawn from a deep understanding of who we are and what we stand for, and through it we continue to build on the foundations and progress achieved through Strategy 2020: Building Success. Incorporating three open-ended strategic objectives focused on **building careers**, **growing networks** and **advancing knowledge**, underpinned by a commitment to **sustainability**, it outlines nine transformational actions to sharpen our focus, while remaining responsive to a rapidly changing external environment. <https://www.napier.ac.uk/about-us/our-strategy>

Its delivery is underpinned by our core Learning & Teaching, Research & Innovation, and Internationalisation strategies, enabling strategies related to our People & Services and Finance & Operations, and our Environmental Sustainability Strategy. The delivery of the objectives from these cross-cutting strategies is embedded through the University's annual planning process, with associated key performance indicators to help us track our progress.

Our cross-cutting commitment to the United Nations Sustainable Development Goals (SDGs) can be reflected across our strategic objectives and operations, recognising our purpose and ambition to make a difference across society.

Our objective to align and build our academic excellence on wellbeing and sustainability – underpinned by the themes of health, environment, artificial intelligence & technologies, cultures and communities – also directly supports the Scottish Government's ambition to deliver a wellbeing economy as articulated by the National Strategy for Economic Transformation.

OUR STRATEGIC OBJECTIVES ARE TO...



OUR VALUES

PROFESSIONAL
AMBITIOUS
INNOVATIVE
INCLUSIVE

OUR SUCCESS AND ACADEMIC REPUTATION WILL BE MEASURED BY OUR

TEACHING OUTCOMES

NSS, PTES, & Graduate Outcomes

RESEARCH EXCELLENCE

REF, research income & PGR numbers, PRES

STUDENT OPPORTUNITIES

Access, mobility & placements

ACTIVE PARTNERSHIPS

Public, private & third sector links

SOCIETAL IMPACT

Scottish National Performance Framework & UNSDGs

STAFF ENGAGEMENT

Employee wellbeing feedback & development

SUSTAINABILITY

Carbon footprint, surplus & turnover

OUR STRATEGIC OBJECTIVES:

BUILD CAREERS – CREATE OPPORTUNITIES

Our culture of personal growth, coupled with our flexible, innovative and holistic learning environments, will enable students and staff to shape their development and flourish in their careers.

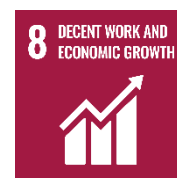
We foster a vibrant and inclusive learning environment that seamlessly connects research, teaching, professional practice, and enterprise. This integrated approach helps our staff and students build and thrive in their careers. We are committed to continually developing flexible and innovative courses, which have proven to be sustainable and adaptable, creating opportunities for a diverse range of learners.



Some highlights in 2022/23:

- **Culture of personal growth with a flexible, innovative and holistic learning environment.**

In line with our commitment to the enhancement of our students' and graduates' professional development, we launched our new Employability Strategy centred around four strategic pillars: Enhancing Employability Culture; Embedding Employability; Developing Experience; and Ensuring Legacy. The annual Graduate Outcomes survey showed that 79% of our 2020/21 graduates are in a managerial/professional role (c.f. UK institutional average 76%; Scottish average 77%) and 97% are in work or further study 15 months after graduating.



Edinburgh Napier was one of six institutions across the UK and Ireland – and the only one in Scotland – to deliver a mentoring pilot programme run by the John Schofield Trust, a charity which has been working to diversify journalism for more than twenty years. The programme enables our students to have the opportunity of one-to-one mentoring from established media figures who align with their career goals, while getting access to monthly masterclasses and networking opportunities.



At end July 2023, 76% of our academic staff had Fellowship of Advance HE, many of whom were supported through ENroute, our professional recognition framework, and 72% of our academic staff had doctorates.



- **Enabling our students and staff to shape their development and flourish in their careers.**

Erin Reid, one of our graduates who founded the menstrual hygiene start-up LU Innovations, won two awards at the prestigious Converge Awards, which celebrate the works of pioneering entrepreneurs who are students, recent graduates or academics. LU Innovations designs period products for women who enjoy outdoor activities in remote environments. Erin won the top prize in the Create Change Challenge, and also won the Rose Award which celebrates female entrepreneurship in Scotland.



Edinburgh Napier staff and projects were shortlisted in four of the 13 categories at the 2022 Scottish Cyber Awards, winning three of them. Among the winners were Dr Pavlos Papadopoulos, who is leading the innovative TrueDeploy venture. He was named Outstanding Young Person, while also being shortlisted for the Best New Cyber Talent award. Ian Stevenson, CEO and founder of our spin-out Cyacomb, won the Internationalisation Contribution Award for his work with the digital forensics technology.

We implemented an Early Career Academic (ECA) Development Programme to support new academics developing into their first academic role. The programme is a structured development plan, usually spread over a 2-year period and ECAs have their time split between 50% teaching and associated activities and 50% towards the development and achievement of tailored expectations, which may include for example, achieving their PgCertificate in higher education (which supports development in teaching, learning and assessment), and developing a range of research skills.

We also launched a Professional Services Career Development framework to support staff in finding clearer routes for career development and progression, aligned to their personal career aspirations. This includes providing access to a set of curated resources to support: developing confidence at work; career management; networking and relationship building; credibility and professionalism; and self-motivation. The resources are complemented by an offering of development events and structured peer support.



GROW NETWORKS – CONNECT COMMUNITIES

Creative collaborations locally, nationally and internationally will provide an educational and research portfolio that both shapes and responds to the needs of business and society.

Rooted in the beautiful, vibrant, and growing city of Edinburgh, our university thrives on the local networks and communities that are home to our campuses. However, this connection to our local environment is only one aspect of our identity. Our body of teaching, research, and professional practice has international reach and global impact. Our connections and collaborations across disciplines and geographies will further strengthen our growing base of distinctive research and innovation, advancing knowledge that can be applied to the grand challenges facing our world.



Some highlights in 2022/23:

- **Creative collaborations locally, nationally and internationally**

We have developed a unique collaboration with Lost Shore Surf Resort that will see ground-breaking surfing research take place in Scotland. The partnership (Surflab) represents a global first in terms of a formal research relationship between further education and a wave pool. The agreement will involve Lost Shore Surf Resort, Scotland's first inland surfing destination, and the University, partnering to research areas such as surf therapy, high performance surfing (including Olympic pathways), disability surfing, and



equipment development. It will also deliver unique learning opportunities for students and the wider industry.

We developed a sustainability toolkit for festival managers as part of the Cultura Circular (Circular Culture) programme, a British Council initiative in Mexico focused on promoting a culture of sustainability in the festival sector. The programme envisioned a plan to promote artistic cooperation and exchange between Mexico and the United Kingdom, as well as a training module specialising in environmental sustainability for an emerging network of Mexican festivals. A toolkit was created to accompany professionals working on producing and promoting cultural festivals who seek to include and improve their strategies favouring the environment, by reducing the negative impact of carrying out events.



A collaboration between Edinburgh Napier and Echline Primary School saw Primary 7 pupils work with our music students to write and produce a song as a legacy to mark their moving on. The backing track to the song was recorded and performed by Edinburgh Napier music students as they too gained valuable experience of performing, working with young people, and collaboration.



- **Providing an educational and research portfolio that both shapes and responds to the needs of business and society.**

A team of thirteen students from Edinburgh Napier University completed a world-first construction project in China – a bamboo-timber composite grid shell structure - working alongside colleagues from Guangxi University of Science and Technology and Inner Mongolia University of Science and Technology.



Following research developed by Edinburgh Napier's Centre for Cardiovascular Health, which identified a possible link between gum disease and the heart condition Atrial Fibrillation (AF), a pioneering trial was launched at Newcastle Dental Hospital with dentists testing for strokes as well as checking teeth in partnership with Newcastle Dental Clinical Research Facility.



We are a founding member of the Urban Research and Education Knowledge Alliance (UIREKA), a European higher education consortium. A funding proposal by the alliance was selected in the European Universities Initiative call of 2023, which means that UIREKA will become an official Erasmus+ co-funded European University alliance. Although Edinburgh Napier will not directly receive funding - as the United Kingdom is no longer a member of the Erasmus+ programme - we look forward to working with our partners on our aims to establish a long-term strategic and structural collaboration to integrate our education and research into a European University with a specific focus to contribute to a sustainable, human, inclusive and future-proof transition to Climate-Neutral and Smart Cities.



ADVANCE KNOWLEDGE – DELIVER IMPACT

Our research and knowledge exchange will address 'live' challenges, underpin our teaching and influence professional practice and policy, driving key societal, economic and environmental impacts.

In an ever-changing world, we recognise that there are not only significant challenges facing society now, but new ones will continually arise. We are committed to being part of the solution by connecting our breadth of disciplines and expertise, advancing knowledge through our research, and supporting innovation in the public, private, and third sectors.



Some highlights in 2022/23:

- **Addressing “live” challenges**

A project involving Edinburgh Napier University to develop the world’s first fully sized, self-driving bus service in Edinburgh began carrying passengers in the spring. CAVForth II was awarded £10.4million in UK government and industry funding, following its first trial with volunteers on board the journey over the Forth Road Bridge between Edinburgh Park and Ferrytoll park-and-ride in Fife. The University’s role in the multi-partner project with industry (partners include Stagecoach, Alexander Dennis Limited, Fusion Processing Ltd and the University of the West of England) centred around studying people’s attitudes towards automated buses, their experiences on board and how this might shape service expectations.

- **Underpinning our teaching and influencing professional practice and policy**

Two academic members of staff have contributed to the first major review of Scottish mental health law in 20 years. The Scottish Review of Mental Health Law, led by John Scott KC, was published in September 2022 following more than three years of work informed by the expertise and research work of our staff.

The Business School’s Urban Innovation Policy Lab worked in collaboration with the United Nations Human Settlements Programme (UN-Habitat), the Development Bank of Latin America and Tallinn University of Technology, to develop a guidance framework for the governance of smart city projects. Despite the transformation potential of smart technologies, many municipal governments are finding it difficult to manage a digital transformation that requires the coordination of local and global bodies. This joint study outlined what municipal governments require to effectively lead digital transformation and make their cities more sustainable and innovative.



- **Driving key societal, economic and environmental impacts**

Edinburgh Napier University’s Centre for Military Research, Education & Public Engagement, supported by the Edinburgh Futures Institute at the University of Edinburgh, published a-first-of-its-kind report to look at the journey from military to civilian life, focusing on Scotland. The report received input from nearly 100 service personnel, 200 veterans and more than 60 employers and it makes a host of recommendations across four key areas: policy, practice, education, and research to influence and shape both policy and service delivery to enable veterans and their families to lead successful civilian lives.



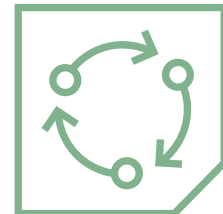
A milestone was reached in the development of a new Mountain Bike Innovation Centre in Innerleithen (Scottish Borders) being developed in collaboration with South of Scotland Enterprise and Scottish Borders Council. The project plan to transform the Caerlee Mill into the new Innovation Centre was given planning permission, which allows construction works to begin. The Innovation Centre is predicted to contribute £141m in Gross Value Added (GVA) and create over 400 jobs in the South of Scotland over ten years.



GROW SUSTAINABLY – NET ZERO 2030

We will grow and diversify our income and take progressive action to achieve net zero carbon in our operations by 2030. We will also seek to minimise both our wider and legacy carbon footprint and influence sustainable practices within and beyond our campuses.

We are firmly committed to achieving net zero carbon in our operations by 2030 at the latest. Our dedication to sustainability is not just a goal; it's a shared mission that resonates throughout our community. We are proud of the collective efforts of everyone involved and are confident our united approach will lead us to a more sustainable future.



Some highlights in 2022/23:

- **Growing and diversifying our income**

With real term cuts in public funding, it is important to secure additional sources of income to continue investing in staff and our infrastructure. We have worked to establish an embedded international pathway college, which will provide a resilient and growing income stream, as well as reaping the benefits of continuing to diversify and internationalise our on-campus student community. Our pathway students will benefit from our wide-ranging focus on sustainability, not least through our curriculum, helping to influence their decisions and impact now and into the future, both in Edinburgh and beyond.



- **Achieve net zero carbon in our operations by 2030**

We were shortlisted for the Times Higher Education’s prestigious University of the Year award, based on our focus on wellbeing and sustainability and were also named the top university in Scotland (37th in UK) for environmental sustainability and ethics for the second consecutive year, according to the 2022 independent People and Planet University League, scoring particularly highly under the education for sustainable development category.



From an operations perspective – we achieved a 28% reduction in carbon emissions compared to our pre-Covid baseline of 2018/19, driven by a strong focus on energy saving projects. A student-led project prompted us to move our default search engine to the net zero ‘Ecosia’ and we engaged students in an initiative to map our research against the UNSDGs. We installed more EV charge points at our Sighthill campus and conducted a full travel survey, to inform and update travel and parking policies as well as active travel initiatives. We conducted building condition and sustainability surveys of our full estate to inform our developments and published our inaugural Principles for Responsible Management Education (PRME) report.

www.napier.ac.uk/environment

We signed the SDG (Sustainable Development Goals) Accord reflecting our commitment, alongside other learning institutions, to do more to deliver the UN SDGs. As an active signatory of the Edinburgh Climate Compact, we provided keynote sessions at the EICC Live event ‘Collaborating for Climate Action’ and the ECC Business Festival as well as instigating a project to explore district heat network opportunities with Compact partners.



THE YEAR'S PRIORITIES

The University's priorities for 2022/23 were agreed as being the areas of strategic change and importance that would be focused upon during the academic year. They cut across the institution, are aligned to the University Strategy and had discrete deliverables for the year.

Staff Experience



Staff Experience, continued to be a priority for the University in 2022/23, recognising the vital role that all colleagues play in delivering an excellent experience for students and high-quality research and scholarship. We aim to create a culture where colleagues feel valued, recognised, and developed, ensuring engagement in the University's purpose.

The focus this year was on operationalising the Early Career Academic framework, introducing a career development framework for professional services colleagues, and enhancing the overall colleague experience. The Inclusion agenda and wellbeing of colleagues were also central to this priority See: Equality, Diversity & Inclusion

The Early Career Academic programme has received positive feedback since its development with the progress of all new joiners monitored through a new Oversight Committee. We also developed a new sabbatical policy, due for launch in the 2023/24 academic year.

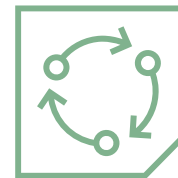
Career Development for Professional Services was advanced by introducing career conversations, career stories, personal development plans, and an online community to enable dialogue and sharing of ideas. We optimised colleague recruitment screening and inclusivity, and improved internal vacancy advertisement, significantly increasing internal appointments compared to the previous year. We completed a succession and retention review for all Senior Leader roles; addressing succession and ensuring development plans are in place.

**69% colleague
engagement**

Our all-colleague survey, 'Your Voice', resulted in a colleague engagement score of 69%, aligning with the sector average (reported by People Insights). Three key institutional themes were identified: workload and wellbeing, collaboration, and managing performance; with actions related to each theme led by a senior leadership group. Changes were also made based on feedback at a local level with regular updates on progress. We launched a new benefits portal through third-party provider VIVUP, offering a range of employee discounts to complement our existing schemes, while also bringing together the wealth of information we have on our wellbeing initiatives and services from our employee assistance provider.

A 2022/23 pay offer was agreed in January, providing additional increments on pay for colleagues in Grades 2-7 and a one-off non-consolidated payment. We also improved our terms and conditions for Professional Services colleagues including reducing the working week from 36.25 to 35 hours; introducing additional flexibility in working hours; and increasing annual leave entitlement.

Hybrid Working Trial & Implementation



Our second key priority was to complete the Hybrid Working Trial for professional services, implement recommendations, and feed insights into our estates and infrastructure project (Project VISION). The trial was aimed at understanding future working models, a vital component to inform our infrastructure and estates strategy.

The Hybrid Working Trial closed in March 2023 with results indicating it had largely been seen as positive with 83% of respondents enjoying working in a hybrid way. Recommendations from the trial were taken forward, including the installation of new workstations across over 700 offices and hybrid working was confirmed as the University's new way of working. Updated FAQs were published to supplement agreed hybrid working principles for academics and professional services, which continue to support colleague flexibility with no adverse impact to the student experience or service delivery.

*“83% of colleagues are enjoying hybrid working” and
“95% feel supported by their managers to work in hybrid way”*

Carolann Begbie, Director of People & Services

Feedback from staff, surveys, data from campus space audits, and travel survey responses are being incorporated into Project VISION recommendations.

Project VISION (Shaping our Future Infrastructure and Estates Strategy)

Project VISION is focused on developing a programme of investment in the infrastructure and estate of the University, critical to support the delivery of the overall University Strategy. The goal for 2022/23 was to complete the consultation to underpin the development of the Estates & Infrastructure strategy, and begin phased implementation, including the sustainability masterplan.



“VISION will enable us to deliver inclusive, stimulating and transformative learning and teaching environments which facilitate and promote specific types of learning and where students are supported to academic success”.

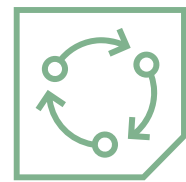
Professor Nazira Karodia, Deputy Vice-Chancellor and Vice-Principal Learning & Teaching

A people-centred design consultant, NOMAD, was commissioned in August 2022 to explore future space design options. The design consultation work concluded in the spring of 2023 with a series of on campus exhibitions displaying project briefings developed through the workshop process. Condition surveys were conducted and architects were appointed to conduct campus feasibility audits using initial student and staff population estimates.

“The significant investment in our campuses will support our Schools’ ambitions, enhance our world leading research & innovation, facilitate Knowledge Exchange activity, and deliver opportunities for small enterprises and collaborations with business.”

Professor Nick Antonopoulos, Deputy Vice-Chancellor and Vice-Principal Research & Innovation

Sustainability surveys were undertaken to inform the sustainability masterplan and the journey to net zero by 2030. A presentation of initial high-level options was presented to the University Court in June 2023 alongside proposals for the future size and shape of the University. The masterplan will outline the implementation plan and phasing in due course.



Work on the Digital Strategy was formally incorporated as part of Project VISION, and will be delivered in the current year. The next steps into 2023/24 will be to undertake more detailed analysis of space utilisation, understand in more detail requirements for individual Schools and specialist facilities aligned with Future Size and Shape and develop the VISION masterplan by March 2024.

“The investment across our estates will provide a step change in opportunities to lead on sustainability, engage with our local communities and collaborate with external partners”

Andy McGoff, Director of Finance and Operations

Create a single School of Computing, Engineering and Built Environment (SCEBE)

The newly merged schools of SCEBE launched on 1 August 2022 and a programme of projects commenced, directly involving staff from across the University to complete its implementation and deliver the intended benefits. Five new subject groups were established (Applied Informatics, Built Environment, Computer Science, Cybersecurity & Systems Engineering, and Engineering & Mathematics) with clear leadership structures.

All projects progressed exceptionally well, with notable improvements in staff development, staff community building, research processes, learning & teaching portfolio review, greater understanding and focus on student experience needs, and delivery of a new website. Four projects are



Edinburgh Napier
UNIVERSITY

School of Computing,
Engineering & the
Built Environment

continuing into 2023/24, including the recently initiated work on ‘External Engagement Strategy, Industry Advisory Boards and Consulting Services’.

“The merger aims to ensure sustainability and growth across the School, as well as creating exciting opportunities to deliver greater synergies across the subjects; increased opportunities for new and innovative programmes of study; and an expansion of our research and commercial activity”

Professor Peter Andras, Dean of the School of Computing, Engineering and the Built Environment

Only a few months after the completion of the merger, SCEBE became the 125th member of iSchools, a prestigious network of schools and departments that perform informatics or information science research in universities around the world.

New innovative academic provision

A University-wide review of our postgraduate taught academic portfolio was completed to inform the development of new courses that continue to meet our criteria of being demand-led and aligned with the needs of employers and industry. The ambition was to ensure our curriculum can be accessed flexibly to optimise learner attraction and engagement, building on existing academic discipline strengths in teaching and research.

The Knowledge Partnership, a consultancy, was appointed to carry out the review of our current postgraduate taught academic portfolio and the recommendations are being taken forward through academic portfolio plans created by each School, focusing on short, medium, and long-term developments. As a result, we will be providing new courses in areas including Data Analytics, Design, Digital Business and Clinical Health Technologies, as well as new online offerings.

We expect these changes to positively impact our student recruitment and employability outcomes in future years.

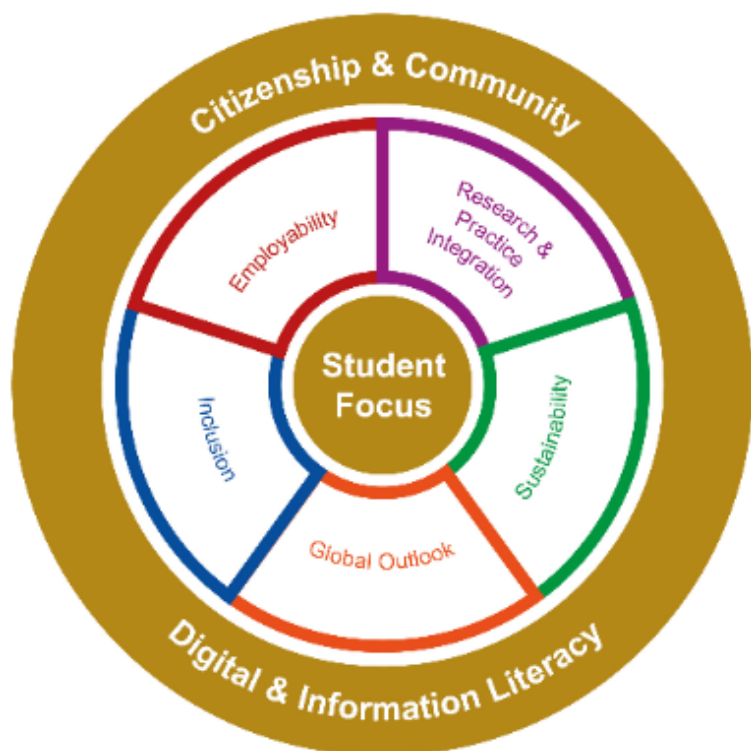


Curriculum Management

We prioritised the improvement of our curriculum management through the implementation of a new system, supported by clear processes, roles and responsibilities.

We launched our new Curriculum Management Environment (CME) in April 2023, introducing a simple, single repository as a one-stop platform for managing the lifecycle, quality, and governance of our academic provision, while bringing greater transparency for all stakeholders involved with managing and delivering our curriculum. The University now has a complete and comprehensive view of its curriculum and development pipeline. The environment has been designed to give visibility and encourage collaborative

provision as well as delivering and monitoring delivery of learning and teaching initiatives. Ultimately, the CME will support delivery of better courses and provide a better student experience.

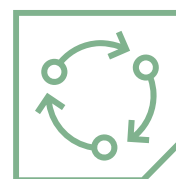


The recently launched ENhance Curriculum Framework is embedded in the new environment, enabling strategic management of the framework and measurable progress. The framework includes a focus on education for sustainable development and alignment with the SDGs. The successful introduction of this new curriculum management system is expected to transform the University's approach in terms of designing new programmes, refreshing existing ones, and supporting students and staff during programme implementation.

Investigate the feasibility of establishing a Pathway Centre

This priority was focused on the development of options for increasing the supply and access to our undergraduate portfolio for international students, following strong demand from international taught postgraduate students.

In 2022/23 we entered into discussions with an established pathway provider, Oxford International Education Group (OIEG). Following business case approval, we signed a contract to establish an embedded pathway college, which will see significant international student number growth over 5 years from a diverse range of markets, with students who would otherwise not be eligible to join us through direct entry. Edinburgh Napier University International College (ENUIC) will be fully integrated into our campus life from day one, and students will have full access to all our support services and facilities.



ENUIC's pathways (six undergraduate and two postgraduate, approved through our quality framework processes) are being initially developed for programmes in our School of Computing, Engineering and the Built Environment and the Business School. After successfully completing their chosen pathway course, students will be able to transfer to a number of our undergraduate and postgraduate degree programmes (see [International College \(napier.ac.uk\)](https://www.napier.ac.uk/international-college)).

“With Oxford International’s experience in embedded college operations, combined with the support and knowledge of our staff, I’m confident that international pathway students will feel part of the Edinburgh Napier community from their very first day with us and will progress to be successful in their chosen degrees.”

Professor Andrea Nolan, Principal and Vice-Chancellor

The partnership was announced at the end of July and our submission to UK Visas and Immigration Service and QAA was approved shortly after. Physical space to host the college and initial cohort is being developed at present. Work to establish the college operationally is ongoing and will require significant further partnership working during 2023/24 in time for students starting in January. Extending the pathways to include the School of Arts and Creative Industries, the School of Applied Sciences & the Business School for September entry and identifying space to accommodate college growth will also be priorities for the next academic year.

Student Recruitment

International student recruitment for 2022/23 significantly increased, c.12.5% over target, with substantial income growth in terms of tuition fees totalling £39 million. Indeed, we welcomed over 2,000 new international students onto our campuses in 2022/23.

Income from transnational education and Global Online programmes grew to £10 million in 2022/23, while we continued work to establish an International Centre which will carry on into the next academic year.

Scottish Funding Council (SFC)-funded recruitment at both undergraduate (UG) and postgraduate taught masters (PGT) level was more challenging, however. The target for Year 1 Full Time UG students was met, however the shortfall in the total funded student population was in large part due to a reduction in direct entrants from colleges, which have seen a significant fall in applications since the pandemic, in addition to the continued impact of the removal of EU students from the SFC numbers post-Brexit, and a fall in student continuation – in 2021/22, 90% of UK-domiciled students entering year 1 continued to year 2, compared to .c.83% in 2022/23 for 2021/22 entrants. Cost-of-living increases and the post-Covid economic and social impacts are changing student behaviours, with many – particularly younger students - failing to continue their studies in 2022/23 or dropping out during the year.

In terms of our domestic postgraduate masters students, we recruited 338FTE students compared to ca 500FTE pre-pandemic. The total SFC-funded population was short of the threshold limit, and we have put plans in place to address this over the next two years. Recruitment of students from the rest of the UK and the republic of Ireland was broadly on target.

Student progression and retention was a priority, noting the impact of retention of home students on our SFC-funded population. All years of students have been affected to some extent by lower continuation, although school leavers in year 1 have been most affected with the retention of mature learners remaining broadly similar to previous years. The reasons for withdrawal of students are wide ranging but there has been a significant impact from cost-of-living increases with many students working, which is negatively impacting their engagement with study. Retention plans were developed for every School, with progress monitored by the Student Success Group. Key priority areas looking forward for improving student retention are improving student engagement, assessment and feedback and induction activities for staff and students.

The Hub for SUCCESS, which supports care-experienced students get into and remain in tertiary education, has continued to thrive. A consortium hosted by the University, published a high-level impact report in October 2022 covering its activities between August 2018 and August 2022. This impact includes providing 1-1 bespoke support to c.340 care-experienced people helping them to get in, stay in or return to education. Through the Learner Explorers Primary School Programme, which involves student ambassadors with experience of care, 18 in-class sessions were delivered to introduce further and higher education to a younger audience than traditional widening participation activities and introduced the language of care experience into classroom settings. Over this period, the Hub for SUCCESS has also provided learning events to over 600 professionals across the Social Work and Education Sector to aid partners and stakeholders' learning and understanding of care experience.

Creating a world leading research and innovation university

The University is committed to creating a world-leading research and innovation environment. The focus in the 2022/23 academic year was to build upon the good results of the Research Excellence Framework by enhancing the research environment for staff and students, growing the number of research postgraduate students, and launching the Early Career Academic (ECA) framework while accelerating research impact and creating economic and social impacts through strategic partnerships and collaborative research.

This year we established six new research centres: Cardiovascular Health; Mental Health Practice, Policy and Law Research; Military Research, Education & Public Engagement; Child & Family Law and Policy; Transport Research Innovation; and Tourism Research. This brings the total number of



Edinburgh Napier research centres to thirteen which will strengthen the University's visibility around key research areas.

A University wide mentoring scheme for academic and research staff has been launched with a mentoring platform created, and training sessions delivered for mentors and mentees.

We continued to improve our external visibility by developing the next iteration of the Innovation Hub website to showcase University research capabilities, case studies with external partners, facilities and expertise, and research & innovation news and events. A large contract was secured for a new multidisciplinary Masters programme with Deloitte, and this model is being explored with a range of potential partners in the Finance sector. We are also delivering fifteen courses on the Ministry of Defence's University Short Course Programme (USCP) over the next four years.

A proposal to establish a Doctoral College was developed and approved during 2022/23 and will be implemented as a priority next academic year with the aim of bringing support for postgraduate research students together into a coherent structure.

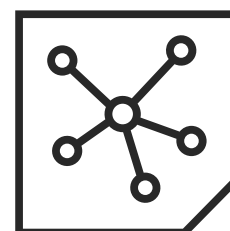
The University continued to build on its reputation for successfully producing spinouts, particularly in the cybersecurity space. A SCEBE project, LastingAsset, received funding from Scottish Enterprise's High Growth Spin Out Programme. LastingAsset is building a decentralised institutional custody solution, which aims to help users securely store digital assets like cryptocurrencies – which can often otherwise be lost.

This followed the success of TrueDeploy, an exciting project from SCEBE, which secured ca£200k in additional support from Scottish Enterprise. The project received the funding as part of Scottish Enterprise's High Growth Spin-out Programme (HGSP) following successful funding bids to HGSP and Innovate UK's CyberASAP programme. TrueDeploy helps enterprises improve their software security and protect privacy through innovative distributed ledger and Self-Sovereign Identity (SSI) technology. This latest funding puts it on course to launch next year.

Building and maintaining strategic partnerships and external engagement

The focus of this priority was to develop and implement an External Stakeholder Engagement Plan for the University, to identify and confirm at a high level our strategic relationships with national and local government and bodies. We recognise that strengthening and proactively managing these relationships will bring a range of benefits across our strategic objectives, identifying opportunities to collaborate in Scotland and internationally, around careers, networks, innovation and sustainability, as well as grow and diversify our income.

During 2022/23 we developed a top 500 key stakeholder database for external engagement activities and development opportunities, within the central Development Team's Customer Relationship Management system.



These were heat-mapped, categorised and codified and this information is being fed into building the wider Edinburgh Napier stakeholder map, which will provide a baseline for local actions tailored to our Schools and Services. Through the Innovation Hub Steering Group, discussions began around the development of a strategic relationship management framework, which will align synergies across the ENU Top 500 in terms of three principles: tailored engagement, tracking and transparency. Senior leaders are engaged with further development of the framework.

While collaboration with various partners, including civic partners, other universities, and companies, remained underway, this year there was also a major focus on capacity building for development of Knowledge Transfer Partnerships (KTPs), which has generated a healthy pipeline of KTP projects. This includes a KTP backed by Innovate UK between a SCEBE academic team and MIRACL, the world's fastest single-step multi-factor authentication. The academic team lead has developed knowledge of how cryptography can be used to protect the security of data and the rights of citizens to privacy'.

In terms of international partnerships, our Joint Education Programme (JEP) with Guangxi University of Science and Technology (GXUST) was named Educational Partnership of the Year for difference-making work at the China-Scotland Business Awards. The award aims to recognise strong examples of collaboration for the impact they have on the next generation of young people and cutting-edge research, as well as the wider Scotland-China business community. 2022 also marked the 50th year of our collaboration with HKU SPACE transnational education – a relationship which began when we worked together to train medical lab technicians in 1972.

EQUALITY, DIVERSITY & INCLUSION

Mainstreaming Report and National Equality Outcomes

We published our [Mainstreaming Report](#) covering the progress we have made to deliver our seven equality outcomes and to note more generally how we are working to mainstream equality, diversity and inclusion at Edinburgh Napier

Recognising there is more to do, we noted the publication in January 2023 of the Scottish Funding Council (SFC) report 'Tackling Persistent Inequalities Together', developed in collaboration with the Equality and Human Rights Commission, which will be considered as we progress with the delivery of our equality outcomes going forwards.

Equality, Diversity and Inclusion Activities

We published a dedicated Teams site with resources, guidance and templates to support colleagues working on Equality Impact Assessments. Guided by the University's Mental Health Strategy and Suicide Safer Plan, initiatives included partnerships and enhancements to our service delivery. This included mental health awareness training being delivered to 294 colleagues, and 130 staff students and members of the public attending a University and community event, 'When It Is Darkest: Understanding Suicide Risk'; safely considering the issue of suicide and how to intervene to reduce its likelihood.

Our six staff networks continued to be key in building inclusion into our everyday policies, procedures and behaviours. The six networks are:

- The Armed Forces Network
- The BAMEish Network
- The Carers Network
- The Interfaith Network
- The LGBT+ Network
- The Women's Network

The networks continued to facilitate colleagues to connect with others who will have had similar experiences or have similar outlooks. They encouraged informal conversations and support that peers can offer to each other. They also assist the University to better understand the lived experience of key groups of colleagues.

Fair Work Practices

The University is committed ensuring that we have in place fair working practices in line with Fair Work First.

Inclusion is one of our core values and we have a range of networks which are key in building inclusion into our everyday policies, procedures and

practices. We also offer a progressive suite of family friendly policies and flexible working practices including hybrid working.

We are an accredited Living Wage employer and report annually on our Gender Pay Gap, as well as routinely undertake equal pay audits. Our reports outline actions that we are taking to address any gaps or concerns relating to protected characteristics.

Colleagues are encouraged to give their views and ask questions through colleague surveys, focus groups and local campus discussions. We have recognition agreements with our trade unions partners, EIS and Unison, and regularly meet with representatives for consultation on key initiatives and to ensure that colleague opinions are heard. We have recently completed an engagement pulse survey to provide a temperature check on progress from action plans following our full engagement survey undertaken in 2022.

We do not adopt inappropriate use of zero hour contracts or engage in 'fire and rehire' practices

KEY PERFORMANCE INDICATORS

Our 2022/23 Performance

Key Performance Indicator	2022/23 actual
TPG students (FTE)	4,836
International students on-campus (FTE)	3,859
TNE income (incl. online)	£10.1m
Proportion of SIMD20 entrants	13%
Student Satisfaction (NSS / PTES)	78% / 86%
Year 1 continuation (2021/22 entry)*	83%
Graduate level employability (positive destinations)	79% (98%)
Income from research & knowledge exchange	£8.9m
Net carbon emissions (tonnes CO ₂ equiv.)	4,619
Total income / operating surplus	£167.8m / £8.6m

**Provisional figure pending HESA Data Futures 2022-2023 submission completion*



Image: Gathering in The Lion's Gate, Merchiston Campus

FINANCIAL

Financial Sustainability



The continued generation of an underlying surplus demonstrates the University's commitment to ensuring its financial health and sustainability. We will provide the platform to deliver our ambitious capital investment across our estate and digital environment enabling our teaching, learning and research strategies. Our finance strategy will effectively address key operational challenges which include maintaining high levels of student and staff satisfaction while planning and responding effectively to changes in the external environment.

To enable our strategy, we will:

- Ensure the basket of financial sustainability metrics is always at a weighted, acceptable level, maintaining access to liquidity that will allow us to meet our obligations, even under stress.
- Target a ratio of academic to professional staff of 1:1 (2022/23: 0.83:1) with our ratio of staff costs not exceeding 60% (2022/23: 58.8%). We will strive towards an underlying operating surplus of at least 5% of total income (2022/23: 5.1%).
- Look to reduce our reliance on core SFC income to less than 50% (2022/23: 37.5%) by increasing the proportion of international, commercial and research income. This supports our academic strategy and aspirations to be a leader in applying our knowledge to wider stakeholders.
- Develop an estate that provides the best learning environment, is relevant to the modern workplace, linking seamlessly with the community and our industrial and other partners.
- Support an IT infrastructure that provides a first-class user experience and facilitates maximum efficiencies and access to relevant data.

Scope of the Financial Statements

The financial statements have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, regulation 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (SORP), and in accordance with applicable accounting standards. The University is a public benefit entity and therefore has applied relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of certain fixed assets).

Financial Review

As described in previous reports, our financial strategy over the last 6 years has been on strengthening our balance sheet to provide financial resilience

along with the platform to deliver Project VISION, our ambitious capital investment across our estate and digital environment.

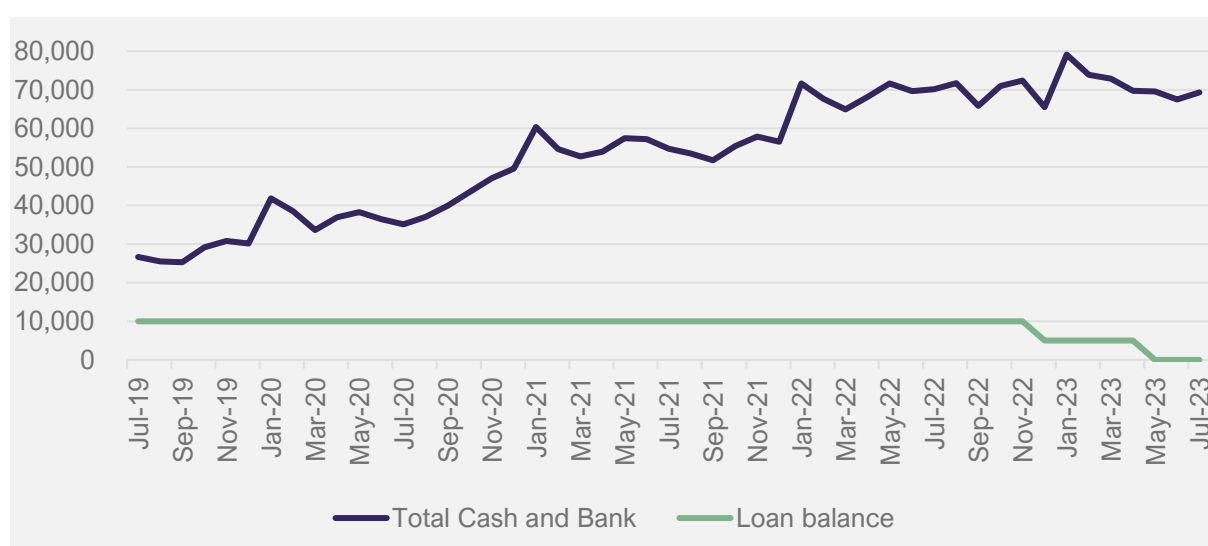
The graphic below describes our consistent and planned progress. Although our net asset position has reduced slightly due to the cap on the pension asset we can recognise, our liquidity, as measured by net current assets, has increased each year from 2015/16 and now sits at a healthy £34.6m. During the year we took advantage of market conditions to break and repay our £10m loan with Barclays Bank and, assisted by operational cash generation, our cash balance remains consistent with last year at £69.3m.

As a consequence of our prudent financial management, we now have a growing pool of funds available of circa £110m to progress our investment plans, represented by our cash balance and our unused facility of £40m with the Bank of Scotland.

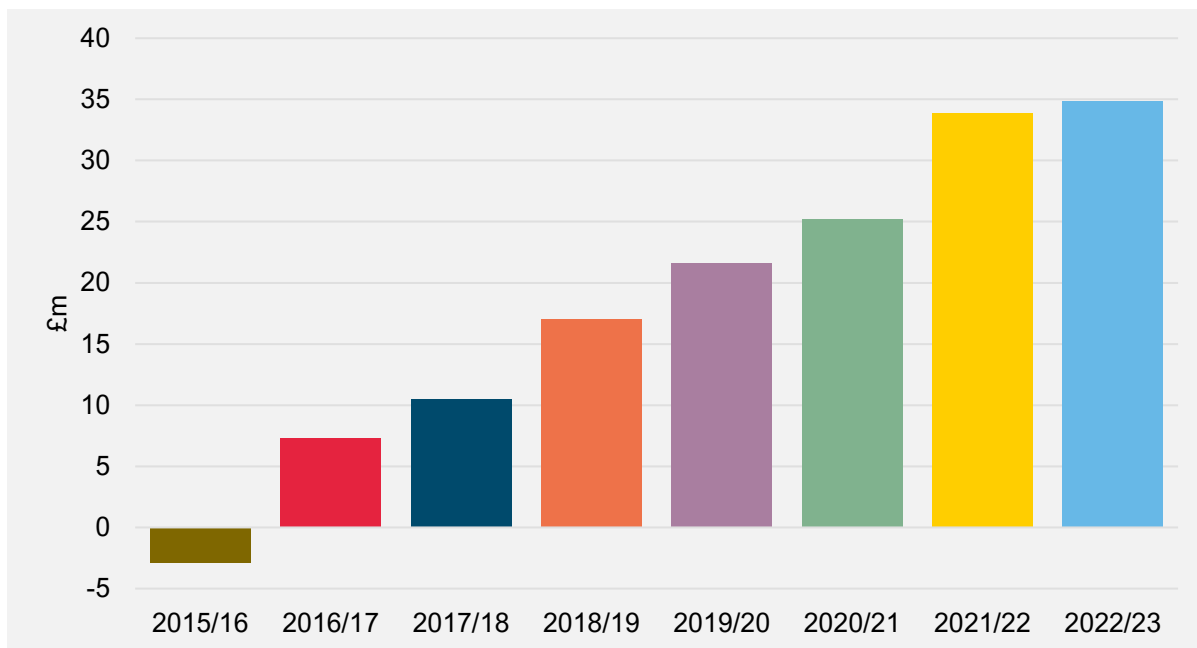
Our Balance Sheet (£000)

	2023	2022
Non-current assets	115,945	118,821
Pension asset	-	24,725
Current assets	86,400	81,011
Current liabilities	(51,815)	(47,104)
Net current assets	34,585	33,907
Creditors >1 year	(535)	(10,000)
Provisions	(9,744)	(11,189)
Net assets	140,251	156,264

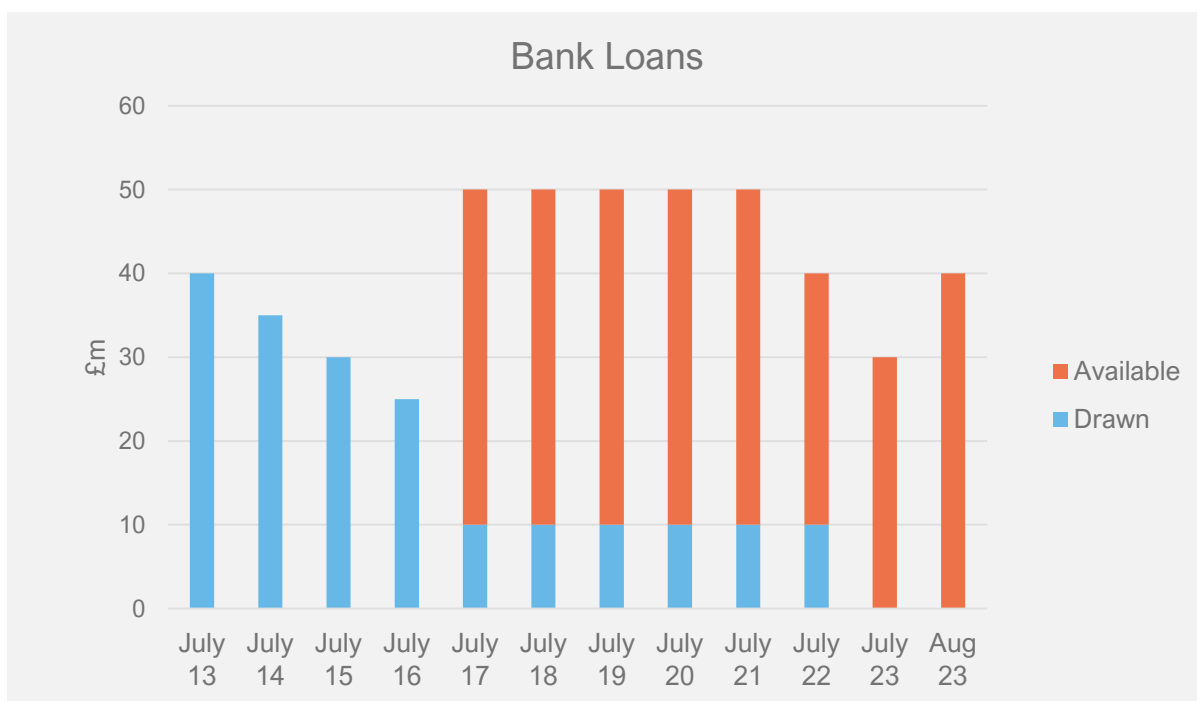
Cash Balance Trend July 2019 to July 2023



Net Current Assets



Our financing




**Funds available of:
 £70m cash +
 £40m loan facility.**

Income and Surplus

The University has delivered strong income growth during the year linked principally to international student recruitment. Income grew by some 13% from £148.3m to £167.8m.

£m	2021/22 Excl. Dev Trust	2021/22 Inc. Dev Trust	2022/23 Excl. Dev Trust	2022/23 Inc. Dev Trust
Income	147.9	148.3	167.8	167.8
Expenditure before pension charges	(143.3)	(143.9)	(159.2)	(159.5)
Surplus before other gains / losses	4.6	4.4	8.6	8.3
Other gains / (losses)	-	-	(0.1)	(0.1)
Surplus before pension charges	4.6	4.4	8.5	8.2
Pension charges	(11.6)	(11.6)	(1.2)	(1.2)
Actuarial gain / (loss)	108.0	108.0	(23.0)	(23.0)
Net surplus/ (deficit) for the year	101.0	100.8	(15.7)	(16.0)

Tuition fees grew by £18.0m to £75.8m. This was fuelled by the further growth in international students coming to study in Edinburgh, although Scottish student fee income fell by £1.3m.

The continued recovery from COVID supported an improvement in the performance of income generated through our residences, catering and conference facilities which grew by £3.2m to £11.7m.

The successful outcome of REF2021 delivered an increase in the research excellence grant (REG) of £1.5m to £3.7m, whilst research income itself grew by 8% to £5.2m

To service our income generating activities in income, we increased our staff costs by £11.2m, excluding pension adjustments, representing an investment in our staff base of some 71 colleagues (FTE) together with the pay settlement that was agreed in January 2023, providing additional increments on pay for colleagues in Grades 2-7 and a one-off non-consolidated payment.

Overall, we realised an operational surplus of £8.6m prior to one-off gains and the inclusion of the annual revaluation of our pension schemes in our accounts.

Our LGPS pension valuation at July 2023 shows a surplus on our scheme of £91.1m a substantial increase from £30.7m at July 2022. However, under accounting standards although there is surplus position on the scheme there is a ceiling to which this can be recognised in the annual accounts based on

the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. At July 2022 our pension surplus was capped at £24.7m whilst despite the increased surplus of £91.1m at July 2023 this has been capped at nil resulting in an adverse pension adjustment of £24.7m in the accounts. Our unfunded scheme now has a reduced liability of £9.7m. The overall change is represented by an actuarial loss of £23.0m together with service and interest costs of £1.7m.

Income and student numbers

Our overall income (including the Development Trust) increased by 13% in the year to £167.8m.

2022/23 (Headcount)					
Delivery Location		Taught Undergraduate	Taught Postgraduate	Research Postgraduate	Total
On Campus	Scotland	8,832	1,008	154	9,994
	Other UK	606	255	47	908
	EU	361	50	11	422
	Overseas	592	3,423	83	4,098
On Campus Total		10,391	4,736	295	15,422
Off campus	Online	1,027	1,917		2,944
	TNE	2,570	233	8	2,811
Off Campus total		3,597	2,150	8	5,755
All Locations		13,988	6,886	303	21,177

2021/22 (Headcount)					
Delivery Location		Taught Undergraduate	Taught Postgraduate	Research Postgraduate	Total
On Campus	Scotland	9,264	1,268	141	10,673
	Other UK	611	308	42	961
	EU	597	188	17	802
	Overseas	534	2,724	65	3,323
On Campus Total		11,006	4,488	265	15,759
Off campus	Online	802	2,239		3,041
	TNE	2,673	272	8	2,953
Off Campus total		3,475	2,511	8	5,994
All Locations		14,481	6,999	273	21,753

Our SFC grant income reduced by £2.0m to £66.5m, which now represents 39% of our total income (2021/22: 46%). Our strategic aim is still to reduce dependency on government funding by growing the diversity of our income stream. It is worth noting that while the University is reliant and is immensely grateful for the SFC income, payroll taxes and the irrecoverable VAT paid and contributed back to UK government totalled some £28.5m.

Tuition fees grew by some £18.0m, being 31%, driven by the further growth in overseas students joining us in Edinburgh and totalled £75.8m for the year.

Income of £5.5m generated from external Research grants and contracts, excluding the core SFC grant, grew by a further 8% following last year's post COVID recovery of 40% growth.

Income from residences, catering and conferences continued to strengthen and increased to £11.7m from £8.5m in 2021/22 as students and events returned to campus.

Balance Sheet

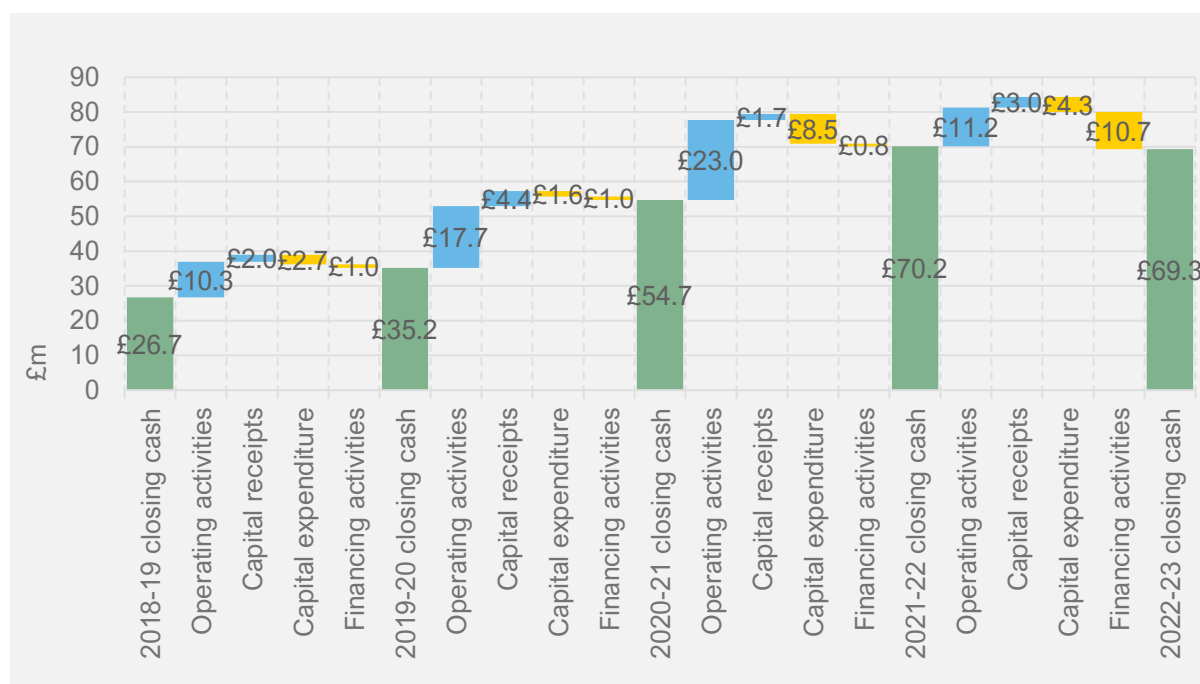
Our solvency and access to funding continues to strengthen. However, despite the generation of an underlying surplus of £8.6m for the year, our net assets have reduced to £140.3m, linked to the impact of the cap that reduced our LGPS pension asset to nil from £24.7m at the previous yearend. Our unfunded scheme however has a reduced deficit of £9.7m

Our net current asset position underpinned by stable cash reserves now sits at £34.9m which is inclusive of a cash balance of £69.3m with all bank borrowings now repaid.

Financial Key Performance Indicator	2018/19	2019/20	2020/21	2021/22	2022/23
Gearing – debt as a % of Net Assets	13.1	34.9	18	6.4	0
External borrowing as a % of income	8.2	7.8	7.8	6.7	0
Unrestricted reserves as a % of income	56.5	17.3	37	100.7	79.7
Total net assets (£000)	76,243	28,635	55,429	156,264	140,251
Income per staff FTE (£)	87,184	91,153	94,435	99,336	103,897

Cash, Cashflow and Loans

Cash Movement



Cash and cash equivalents are £69.3m at 31 July 2023. This is a decrease of £0.9m during the year and can be summarised as follows:

- Net cash inflow from operating activities was £11.2m.
- Investing in fixed assets totalled £4.3m. This was offset by asset sales, capital grant receipts and investment income totalling £3.0m, resulting in a net cash outflow from investing activities of £1.3m.
- Financing activities were £10.7m, including the repayment of our £10m loan.

As reported in July 2022, the University successfully renegotiated and renewed its revolving credit facility (RCF) with the Bank of Scotland for a further 5-year term at a quantum of £30m. In August 23 we agreed with the bank to increase this facility to £40m to dovetail with the repayment of our loan of £10m with Barclays.

Development and Alumni

The Development and Alumni Relations Office undertakes alumni engagement, philanthropic fundraising and external engagement to grow supportive networks. Edinburgh Napier Development Trust is a charity (Charity Reg No. SC030225) governed by a separate Board of Trustees which includes co-opted members from the University's Court.

Over the past four years the focus for the Development office has been to expand the portfolio of philanthropic funding streams. The funds support student scholarships and bursaries, collections, research, early-stage student entrepreneurship and citizenship programmes across all five Schools and three campuses.

Thanks to the donations made by alumni, friends, charitable trusts, foundations and corporates, Edinburgh Napier University Development Trust ("the Trust") raised £1.1M in 2022-23 (an increase on the £0.7M raised in 2021/22).

"Scholarship Funding enabled me to focus on my studies and played a large part in me attaining a first class degree. I cannot thank donors enough. I hope I can do the same to help a student one day."

Throughout the year, a total of £1.5M was disbursed. This large disbursement programme included funds raised in-year plus funds secured in previous financial years. £429k was disbursed to support UK and international students who are currently studying. The funding provides additional financial assistance and encouragement for students to be able to make the most of their time at university. This includes support for travel, research, project materials and also crisis funding support.

The largest single gift was from the Stephen Riady Foundation. The gift of £553k is to support the refurbishment of The Stephen Riady Lecture Theatre at The Business School which will be completed in 2024. The funding has enabled state-of-the-art technology to be designed in. This will greatly enhance the student learning experience and improve the ability for international students joining online to interact and engage fully with the lecturer and fellow students.



Image: Donor, Dr Stephen Riady, meets Prof Andrea Nolan on a visit to Craiglockhart Campus, June 2023

Santander Universities continue to be a major funder with their gift of £47k, alongside many other committed individuals and corporates, who support student entrepreneurs to establish their start-up ventures, assisted by grants that help prototype and test their innovations.

HUB for SUCCESS, the University's pioneering support for care-experienced students, continues to expand a programme of work across Edinburgh and SE Scotland after securing £178k, thanks to the partnership of committed funders, notably CORRA The Promise and British and Foreign Schools Fund. Their sustained support has helped to promote a highly successful new model, supporting those who are care-experienced to get into, stay in and move on from higher education. Over the past year the team have grown outreach to junior and secondary schools to inspire and engage children from Primary 7 upwards.

Suppliers

It is the University's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the University and its suppliers, providing that all trading terms and conditions have been complied with. At 31 July 2023, there was an average of 39 days purchases (2022 – 31 days) outstanding in trade creditors. No interest was paid under the Late Payment of Commercial Debts (Interest) Act 1998.

Pensions

Our LGPS pension valuation at July 2023 shows a surplus on our scheme of £91.1m a substantial increase from £30.7m at July 2022. However, under accounting standards although there is surplus position on the scheme there is a ceiling to which this can be recognised in the annual accounts based on the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

At July 2022 our pension surplus was capped at £24.7m whilst despite the increased surplus of £91.1m at July 2023 this has been capped at nil resulting in an adverse pension adjustment of £24.7m in the accounts. Our unfunded scheme now has a reduced liability of £9.7m. Further information about the University's pension schemes can be found at note 19 of the Financial Statements.

Taxation

Although the University is an exempt charity within the meaning of the Charities and Trustee Investment (Scotland) Act 2005, and recognised as a charity by HM Revenue & Customs (HMRC), it receives no exemption in respect of Value Added

Tax (VAT). Commercial trading activities undertaken by the University are operated through

its subsidiary companies and attract VAT where applicable.

The University's tax strategy outlines that we are committed to full compliance with tax laws and regulations, whilst taking advantage of reliefs and exemptions.

The University has made full provision for potential tax liabilities relating to its historic trading activities in overseas territories. The University is working closely with its advisors to ensure full compliance with local tax laws.

Sustainable Procurement

The Procurement service within the Institution continues to be delivered by Advanced Procurement for Universities and Colleges (APUC), the sector's Centre of Procurement Expertise, in the form of the Edinburgh Region

Procurement Team (ERPT), a shared service with Edinburgh College. The shared service continues to provide improved leverage in the supply chain, and increased resilience in service provision for both institutions involved.

Delivering savings and improved value for money remains a focus for the team, whilst balancing the increased focus on the social, ethical and environmental impacts through the institution's supply chain.

Our total discretionary Procurement spend for the academic year 2022/23 was c.£36m, of which 31% was through the use of collaborative sector-wide agreements with negotiated pricing. In addition, 63% was spent with SMEs

Responsible Procurement continues to be at the heart of Procurement activity. The procurement team works closely with the environmental sustainability manager on a number of projects and to encourage alignment with the University's environmental strategy. To support the analysis of the social, environmental and ethical impacts of the supply chain the University has adopted a sector developed tool with the objective to invite all suppliers with over £50k contract spend. The University is an affiliate member of Electronics Watch and also an early adopter of Ecovadis, a global business sustainability ratings company. For high risk or high value suppliers, the goal is to encourage an Ecovadis assessment and certification.

Governance and Risk Management

Our Governance arrangements are outlined in the Corporate Governance Statement here: [Governance](#).

The University has an established risk management framework, incorporating a risk management policy, with oversight from the Risk and Resilience Committee. The University maintains a comprehensive risk register, supported by departmental level School and Professional Services risk registers.

The main risks facing the University are:

- Ensuring financial sustainability and effectively managing financial challenges
- Achieving student number and transnational education targets in an increasingly competitive international environment
- Growing research income and adjusting to the impact of leaving the European Union
- Planning and responding effectively to rapid changes in the external environment
- Ensuring adequate and appropriate cyber security, information security and data protection arrangements.

Our Audit and Risk Committee has oversight of our risk management process.



Image: Chatting on the stairwell in the central Atrium, Sighthill Campus

Governance

CORPORATE GOVERNANCE

Introduction

Edinburgh Napier University is committed to exhibiting good practice in all aspects of corporate governance. This summary describes the manner in which the University has applied the principles set out in the Scottish Code of Good Higher Education Governance as directed by the Scottish Funding Council. Its purpose is to help the reader of the financial statements understand how the principles have been applied

Statement of full compliance

In the opinion of the Court, the University has complied with the provisions of the 2017 Scottish Code of Good Higher Education Governance throughout the year.

Effectiveness Reviews are conducted by the Court on a quinquennial basis, most recently in 2022/23, to ensure compliance and to ensure appropriate ongoing enhancement of governance arrangements at the University. The report of the 2022/23 Court Effectiveness Review is published on the University's website. The 2022/23 review was led by Advance HE, and the conclusions noted:

“Overall, we found evidence of good and effective governance, with some significant strengths. The operational foundations of effective governance are in place – the structures, systems, and processes – and enacted to enable governance to be practised effectively; we found evidence of rigorous review against compliance and for continuous improvement. The commitment of all parties involved in governance and leadership of the University to the ENU mission and ambitions is evident and strong. The relevant KPIs and reporting cycles ensure Court has high-level oversight of performance.”

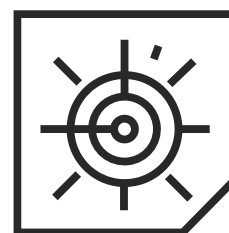
Recommendations were identified that we are now implementing as part of our ongoing continuous improvement.

University Court

The University Court meets at least four times a year with up to two further strategy events held in conjunction with senior management and has a committee structure through which it conducts its business.

Each committee has formally constituted terms of reference and constitutions. These committees include: a Finance & Property Committee, a Nominations Committee, a Remuneration Committee and an Audit & Risk Committee.

Revisions to Court's constitution necessitated by the revised membership requirements introduced by the Higher Education Governance (Scotland)



Act 2016 were made by the Privy Council through an amendment to the University's Statutory Instrument on 22 May 2018.

The Edinburgh Napier University Amendment Order of Council 2018 was laid before the Scottish Parliament on 24 May 2018 and came into force on 15 September 2018. In proposing these changes, Court ensured that its total membership remained at a maximum of 25 and sought to secure an appropriate balance of elected, ex-officio and appointed members which would ensure a range of skills and experience on the Court and its sub-committees sufficient to enable the effective discharge of its functions.

The Finance & Property Committee, in its range of responsibilities, recommends to the Court the University's annual revenue and capital budgets and monitors performance in relation to approved budgets.

In parallel with the Audit & Risk Committee, Finance & Property Committee also reviews the financial statements and makes appropriate recommendations regarding their approval to the Court. The Chair of Court ensures that Court fulfils its responsibilities as set out in the Statutory Instrument by means of its Statement of Primary Responsibilities, reserved powers and the scheme of delegated responsibility.

The Nominations Committee manages the process of filling vacancies in the external membership of Court and makes recommendations on the membership and convenorship of Court's sub-committees. The University fulfils its responsibility for ensuring that a process is in place to make appropriate training available to Court members as required. In the past year, a full induction to new members has been provided and members have been given the opportunity to attend governor development events run by Advance HE and other relevant externally organised development events. The University provides administrative and financial support to members to enable their attendance.

The Remuneration Committee determines the remuneration of the most senior staff, including the Principal. Details of the remuneration of senior post-holders for the year ended 31 July 2023 are set out in note 8 to the financial statements.

Meetings of the Audit & Risk Committee have the University's external and internal auditors in attendance. The Audit & Risk Committee advises the Court on the appointment of the internal and external auditors and the auditors' remuneration. In parallel with the Finance & Property Committee, it also reviews the financial statements and makes appropriate recommendations regarding their approval to the Court.

The University's internal auditors monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan and report their findings to management and the Audit & Risk Committee. Management is responsible for the implementation of agreed audit recommendations and the internal auditors undertake periodic follow-up reviews to ensure that such recommendations have been implemented. The Audit & Risk Committee considers detailed reports together with

recommendations for the improvement of the University's systems of internal control and management responses and implementation plans.

It also receives and considers relevant reports from the Scottish Funding Council (the SFC) as they affect the University's business and monitors adherence to the regulatory requirements.

It is the opinion of the University's internal auditors that the University has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, internal controls, effective and efficient achievement of objectives and the management of key risks.

Whilst members of the University Leadership Team attend meetings of the Audit & Risk Committee as necessary, they are not members of the committee, and the convenor meets both the internal and external auditors on their own for independent discussions.

Corporate Strategy

In respect of its strategic and development responsibilities, the Court receives recommendations and advice from members of the University Leadership Team. The Court holds up to two annual conferences with the University Leadership Team and other senior managers to discuss strategic issues facing the University. It is the Court that approves the University Strategy and puts in place appropriate measures by which it can monitor progress.

University Court Statement on Internal Control

The University Court is responsible for the system of internal control and has delegated to the Principal the review of its effectiveness, as the nominated officer responsible to the SFC for propriety and regularity in the use of public funding and for the economic, efficient and effective use of all available resources. 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 and University Leadership Team receive reports setting out key performance and risk indicators and consider possible control issues brought to their attention by early warning mechanisms which are embedded within the operational units and reinforced by risk awareness activity. Ongoing improvements have been made to the institutional performance monitoring reports provided to the Court.

The University Leadership Team and the Court Committees also receive regular reports from internal audit and health, safety and environmental monitoring functions which include recommendations for improvement. The Audit & Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control.

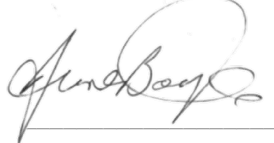
The Court regularly considers risk and control and receives reports thereon from the University Leadership Team and the Audit & Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2022 meeting the Court received the annual report from the Audit & Risk Committee covering the period to 31 July 2022. At its June 2023 meeting, the Court considered the annual risk assessment for 2022/23 as considered and recommended by the Audit & Risk Committee following the annual risk review process. The Court receives regular risk monitoring reports at its meetings throughout the year.

The Court is of a view that there is an ongoing process for identifying, evaluating and managing the University's significant risks that has been in place throughout the year ended 31 July 2023 and up to the date of approval of the annual report and financial statements. This process is reviewed regularly by the Court and accords with current good practice of governance in the higher education sector of the UK.

Going Concern

The Court considers that the University has adequate resources to continue in operational existence for the foreseeable future, and at least 12 months from the date of the approval of the financial statements, as described in more detail on page 61.

On behalf of the University Court,



June Boyle
Chair



Professor Andrea M Nolan, OBE
Principal and Vice-Chancellor

11 December 2023

GENERAL INFORMATION

Chancellor	Will Whitehorn MA FRAeS FCILT FMS
Chair of Court	June Boyle FCIPD FCIBS ICF-PCC
Principal and Vice-Chancellor	Professor Andrea M Nolan OBE MVB FRCVS DVA PhD DipIECVA DipECVPT
Secretary	Michael Greenhalgh BSc
Director of Finance and Operations	Andy McGoff MA (Hons) CA
External Auditor	KPMG LLP 319 St Vincent St Glasgow G2 5AS
Internal Auditor (to 31 August 2023)	Ernst & Young LLP 5 George Square Glasgow G2 1DY
Internal Auditor (From 1 September 2023)	PricewaterhouseCoopers LLP 141 Bothwell Street Glasgow G2 7EQ
Banker	Royal Bank of Scotland plc 206 Bruntsfield Place Edinburgh EH10 4DF
Solicitor	Anderson Strathern LLP 1 Rutland Court Edinburgh EH3 8EY
Actuary	Mercer Limited G1 Building 5 George Square Glasgow G2 1AR

University Leadership Team

Professor Andrea Nolan	Principal & Vice-Chancellor
Professor Nazira Karodia	Deputy Vice Chancellor and Vice-Principal of Learning and Teaching
Andy McGoff	Director of Finance and Operations
Carolann Begbie	Director of People and Services
Professor Nick Antonopoulos	Deputy Vice Chancellor and Vice-Principal of Research and Innovation
Naomi Graham	Vice-Principal, International
Michael Greenhalgh	Director of Strategy and Planning and Secretary to Court

Court Membership

The following persons served as members of Court during the year to 31 July 2023, and up to the date of approval of these Financial Statements. In the case of those who became or ceased to be members during the year, the appropriate dates are shown.

Court Member	Date of Appointment	Date of Retirement	Category
Mr R Adams		31 September 2023	Non-Executive
Mr G Akshil	01 August 2023		Student
Mr P Alonzi	01 December 2022		Non-Executive
Prof N Antonopoulos			Vice-Principal
Ms J Boyle			Non-Executive
Mr S Brannan		31 July 2023	Non-Executive
Mr E Bumra	01 August 2022	31 July 2023	Student
Mr R Cairns	01 August 2023		Student
Ms D Chapman	01 October 2023		Non-Executive
Mr J Chittleburgh			Non-Executive
Prof S Cross			Non-Executive
Ms L Duncan	01 August 2023		Non-Executive
Ms S Hall			Staff
Dr K Hewitson			Non-Executive
Mr A Houghton			Non-Executive
Dr C Ibanez		10 January 2023	Staff
Ms S Kumar	01 October 2023		Non-Executive
Prof A Machin			Staff
Dr G Maclean	22 February 2023	10 May 2023	Staff
Mr M Melville	01 October 2023		Non-Executive
Ms Q Miao	10 October 2023		Non-Executive
Prof A Nolan			Principal & Vice-Chancellor
Mr O Opaleye	01 August 2022	31 July 2023	Student
Ms T Oyinlola			Non-Executive
Dr H Patrick			Staff
Lady A Paton	01 August 2022		Non-Executive
Ms G Scholefield		10 October 2023	Non-Executive
Prof A Scullion		31 July 2023	Non-Executive
Mr P Sim			Staff
Mr R Tomlinson			Non-Executive
Mr P Upton			Non-Executive
Mr N Woodcock		31 July 2023	Non-Executive
Prof L Yellowlees			Non-Executive

Court Membership - Attendance

The following persons who served as members of Court during the year to 31 July 2023, are shown below with their attendance records at relevant Committees.

Member	Court	Audit & Risk Committee	Finance & Property Committee	Nominations Committee	Remuneration Committee
R Adams	75%		60%		
P Alonzi	100%		100%		
N Antonopoulos	100%		60%		
J Boyle	100%			100%	100%
S Brannan	75%		60%		
E Bumra	50%				
J Chittleburgh	75%	100%		100%	100%
S Cross	75%	100%			
S Hall	100%				
K Hewitson	75%		60%		
A Houghton	100%				
C Ibanez	50%				
A Machin	100%			100%	
G Maclean	0%				
A Nolan	75%	75%	80%	100%	100%
O Opaleye	75%			100%	100%
T Oyinlola	75%				
A Paton	50%				
H Patrick	75%				100%
G Scholefield	50%				0%
A Scullion	100%	100%		100%	
P Sim	100%				
R Tomlinson	100%		100%		100%
P Upton	75%	100%			
N Woodcock	100%		80%		100%
L Yellowlees	100%		100%		100%

STATEMENT OF RESPONSIBILITIES OF THE UNIVERSITY COURT

The University Court has unambiguous and collective responsibility for the oversight of the University's activities and determining its future direction. In addition, in accordance with its Statutory Instrument, the University Court is responsible for the administration and management of the affairs of the University including ensuring an effective system of internal control and is required to present audited financial statements for each financial year.

The Court, however, ensures that its functions relating to the organisation and management of the University are discharged by the Principal and may delegate such other of its functions and powers as the Court may from time to time determine. In discharging such functions, the Principal is subject to the strategic direction and control of the Court, but otherwise the Principal has all the powers and duties of the Court in relation to the implementation of such strategy. The full Statement of Primary Responsibilities of the University Court is published on the University's website.

The Court is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the University's Statutory Instrument, the Statement of Recommended Practice: Accounting for Further and Higher Education and other relevant standards. In addition, within the terms and conditions of the Financial Memorandum agreed between the SFC and the Court of the University, the Court, through its designated Officer, 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 its surplus or deficit and cash flows for that year.

The Court takes proper account of the interests of stakeholders, including students, staff, alumni, the wider community and funding bodies.

In causing the financial statements to be prepared, the 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 have been followed, subject to any material departures disclosed and explained in the financial statements;
- financial statements are prepared which comply with the Charities and Trustee Investment (Scotland) Act 2005;
- the ability to continue as a going concern has been assessed and matters relating to going concern have been disclosed, as applicable;
- financial statements are prepared on the going concern basis, unless they intend to liquidate the Group or University or to cease operations or have no realistic alternative but to do so. The Court is satisfied that it has adequate resources to continue in operation for the foreseeable future (at least 12 months from the date of approval of the financial statements): for this reason, the going concern basis continues to be adopted in the preparation of the financial statements.

The Court has taken 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 SFC and any other conditions which the SFC may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University and prevent and detect fraud;
- secure the economical, 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, Senior Managers, Deans of Schools and Directors of Professional Services, as set out in the University's Schedule of Delegated Authority;
- 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;
- periodic reviews of financial results involving variance reporting and periodic 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 Court;
- comprehensive Financial Procedures and Regulations, detailing financial controls and procedures, approved by the Audit & Risk Committee and the Finance and Property Committee;
- a professional third-party Internal Audit team whose annual programme is approved by the Audit & Risk Committee and endorsed by the Court. Internal Audit provides the Court with a report on internal audit activity within the University and an opinion on the adequacy and effectiveness of the University's 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.



June Boyle, Chair,
11 December 2023

Independent Auditor's Report to the Court of Edinburgh Napier University

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of the Edinburgh Napier University ("the University") for the year ended 31 July 2023 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Balance Sheet, the Consolidated Statement of Cash Flows and related notes, including the Principal Accounting Policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group and of the University's affairs as at 31 July 2023 and of the Group's and of the University's income and expenditure, gains and losses and changes in reserves and of the cash flows for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and with the 2019 *Statement of Recommended Practice – Accounting for Further and Higher Education*; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), applicable law and the terms of our engagement letter dated 4 June 2020. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements

including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The University Court of the University has prepared the financial statements on the going concern basis as it does not intend to liquidate the Group or the University or to cease their operations, and as it has concluded that the Group's and the University's financial position means that this is realistic. It has also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the University Court's conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group's and the University's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the University Court's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the University Court's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the University's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the University will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the University Court, the audit committee, internal audit and inspection of policy documentation as to the University's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the University's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading University Court and audit committee minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet performance targets we perform procedures to address the risk of management override of controls, in particular the risk that Group and University management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates such as pension assumptions. On this audit we do not believe there is a fraud risk related to revenue recognition because tuition fee income is mainly received in the period to which it relates with limited judgement in respect of recognition and other income amounts are substantially less material.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the University-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unexpected journal combinations.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the University Court and management (as required by auditing standards), and discussed with the University Court and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably. Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities and higher education legislation), taxation legislation, pensions legislation, and higher education financial reporting related regulation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect:

compliance with requirements of the Scottish Funding Council, health and safety, and employment laws. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We have reported separately on the University's use of funds in the section of our audit report dealing with other legal and regulatory requirements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The University Court of the University (the members of which are the Trustees of the University for the purposes of charity law) is responsible for the other information, which comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Strategic Report and Financial Review (which constitutes the Trustees' Annual Report for the financial year) is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

The University Court's responsibilities

As explained more fully in its statement set out on page 48, the University Court of Edinburgh Napier University is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

We are required under the terms of our engagement to report on the following matters in relation to the Financial Memorandum with Higher Education Institutions (issued 1 December 2014) issued by the Scottish Further and Higher Education Funding Council (“the SFC”).

In our opinion, in all material respects:

- funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation and any other terms and conditions attached to them; and
- funds provided by the SFC have been applied in accordance with the Financial Memorandum with Higher Education Institutions.

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

This report is made solely to the University Court of the University in accordance with Edinburgh Napier University Order of Council 2010, and in the University Court’s role as charity trustees, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 and the terms of our engagement by the University. Our audit work has been undertaken so that we might state to the University Court of the University those matters we are required to state to them in an auditor’s report, and the further matters we are required to state to them in accordance with the terms agreed with the University, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University Court of the University, for our audit work, for this report, or for the opinions we have formed.



Michael Wilkie
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
319 St Vincent Street
Glasgow
G2 5AS

18 December 2023

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

Financial Statements

Consolidated and University Statement of Comprehensive Income and Expenditure, Year to 31 July 2023

	Notes	Year Ended 31 July 2023		Year Ended 31 July 2022	
		Consolidated £000	University £000	Consolidated £000	University £000
Income					
Scottish Funding Council grants	2	66,508	66,508	68,577	68,577
Tuition fees and education contracts	3	75,800	62,976	57,797	45,478
Research grants and contracts	4	5,544	5,210	5,101	4,916
Other income	5	17,079	16,158	15,993	14,921
Investment income	6	2,820	2,780	277	246
Donations and endowments	7	1,093	6,652	564	7,908
Total income		168,844	160,284	148,309	142,046
Expenditure					
Staff costs	8	101,458	95,132	98,230	92,279
Restructuring costs		70	70	38	38
Other operating expenses		52,647	50,187	47,941	45,866
Depreciation	12	6,451	6,439	6,827	6,815
Interest and other finance costs	10	704	704	1,982	1,982
Total expenditure	9	161,330	152,532	155,018	146,980
Surplus / (Deficit) before other gains and losses		7,514	7,752	(6,709)	(4,934)
Gain / (loss) on disposal of non-current assets		(1)	(1)	-	-
Gain / (loss) on investments		(107)	(69)	(60)	9
Surplus / (Deficit) before tax		7,406	7,682	(6,769)	(4,925)
Taxation	11	(469)	(328)	(344)	(292)
Surplus / (Deficit) for the year		6,937	7,354	(7,113)	(5,217)
Actuarial gain / (loss) in respect of pension schemes	19	(22,950)	(22,950)	107,948	107,948
Total comprehensive income / (expenditure) for the year		(16,013)	(15,596)	100,835	102,731
Represented by:					
Endowment comprehensive income for the year		(18)	(5)	(133)	(5)
Restricted comprehensive income for the year		(344)	-	49	-
Unrestricted comprehensive income for the year		(15,651)	(15,591)	100,919	102,736
		(16,013)	(15,596)	100,835	102,731

The accompanying notes form part of the financial statements

Consolidated and University Statement of Changes in Reserves, Year to 31 July 2023

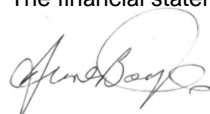
	Endowment £000	Income and expenditure reserve Restricted £000	Unrestricted £000	Revaluation Reserve £000	Total £000
Consolidated					
Balance at 1 August 2021	913	1,743	48,448	4,325	55,429
Surplus / (deficit) from the income and expenditure statement	(133)	49	(7,029)	-	(7,113)
Other comprehensive income	-	-	107,948	-	107,948
Total comprehensive income for the year	(133)	49	100,919	-	100,835
Balance at 1 August 2022	780	1,792	149,367	4,325	156,264
Surplus / (deficit) from the income and expenditure statement	(18)	(344)	7,299	-	6,937
Other comprehensive income	-	-	(22,950)	-	(22,950)
Total comprehensive income for the year	(18)	(344)	(15,651)	-	(16,013)
Balance at 31 July 2023	762	1,448	133,716	4,325	140,251
University					
Balance at 1 August 2021	322	-	40,204	4,325	44,851
Surplus / (deficit) from the income and expenditure statement	(5)	-	(5,212)	-	(5,217)
Other comprehensive income	-	-	107,948	-	107,948
Total comprehensive income for the year	(5)	-	102,736	-	102,731
Balance at 1 August 2022	317	-	142,940	4,325	147,582
Surplus / (deficit) from the income and expenditure statement	(5)	-	7,359	-	7,354
Other comprehensive income	-	-	(22,950)	-	(22,950)
Total comprehensive income for the year	(5)	-	(15,591)	-	(15,596)
Balance at 31 July 2023	312	-	127,349	4,325	131,986
The accompanying notes form part of the financial statements					

Consolidated and University Balance Sheet, Year to 31 July 2023

	Notes	As at 31 July 2023		As at 31 July 2022	
		Consolidated £000	University £000	Consolidated £000	University £000
Non-current assets					
Fixed assets	12	113,934	113,889	116,210	116,153
Investments	13	2,011	768	2,611	1,364
		-----	-----	-----	-----
		115,945	114,657	118,821	117,517
		-----	-----	-----	-----
Pension asset	19	-	-	24,725	24,725
Current assets					
Stock	14	59	59	32	32
Trade and other receivables	15	16,525	12,967	10,818	7,596
Current investments	13	515	515	-	-
Cash and cash equivalents	23	69,301	68,225	70,161	68,735
		-----	-----	-----	-----
		86,400	81,766	81,011	76,363
Less: creditors falling due within one year	16	(51,815)	(54,158)	(47,104)	(49,834)
		-----	-----	-----	-----
Net current assets		34,585	27,608	33,907	26,529
		-----	-----	-----	-----
Total assets less current liabilities		150,530	142,265	177,453	168,771
Less: creditors falling due after more than one year	17	(535)	(535)	(10,000)	(10,000)
		-----	-----	-----	-----
Provisions					
Pensions provision	18	(9,744)	(9,744)	(11,189)	(11,189)
		-----	-----	-----	-----
Total net assets		140,251	131,986	156,264	147,582
		=====	=====	=====	=====
Restricted reserves					
Income and expenditure reserve – endowment reserve	20	762	312	780	317
Income and expenditure reserve – restricted reserve	21	1,448	-	1,792	-
Unrestricted reserves					
Income and expenditure reserve – unrestricted reserve		133,716	127,349	149,367	142,940
Revaluation reserve		4,325	4,325	4,325	4,325
		-----	-----	-----	-----
Total reserves		140,251	131,986	156,264	147,582
		=====	=====	=====	=====

The accompanying notes form part of the financial statements

The financial statements were approved by the University Court on 11 December 23 and signed on its behalf by:



Ms June Boyle,
Chair



Professor Andrea M Nolan, OBE,
Principal and Vice-Chancellor

Consolidated Statement of Cash Flows, Year to 31 July 2023

	31 July 2023	31 July 2022
	£000	£000
Cash flow from operating activities		
Surplus / (deficit) for the year before tax	7,406	(6,769)
Adjustment for non-cash items		
Depreciation	6,451	6,827
(Gain) / loss on valuation of investments	107	60
Increase in stock	(27)	(16)
Increase in debtors	(5,707)	(3,445)
Increase in creditors	5,009	16,665
(Increase) / decrease in pensions provision	330	10,713
Adjustment for investing or financing activities		
Investment income	(1,754)	(277)
Interest payable	704	758
(Gain) / loss on disposal of non-current assets	1	-
Capital grant income	(899)	(1,190)
	-----	-----
Cash inflow from operating activities	11,621	23,326
Taxation	(469)	(344)
	-----	-----
Net cash inflow from operating activities	11,152	22,982
	=====	=====
Cash flows from investing activities		
Proceeds from disposal of non-current asset investments	379	266
Capital grant receipts	899	1,190
Investment income	1,754	277
Payments made to acquire fixed assets	(3,937)	(8,336)
Payments made to acquire non-current asset investments	(403)	(145)
	-----	-----
Net cash inflow / (outflow) from investing activities	(1,308)	(6,748)
	=====	=====
Cash flows from financing activities		
Interest paid	(704)	(758)
Repayments of amounts borrowed	(10,000)	(21)
	-----	-----
Net cash outflow from financing activities	(10,704)	(779)
	=====	=====
Increase / (decrease) in cash and cash equivalents in the year	(860)	15,455
	=====	=====
Cash and cash equivalents at the beginning of the year	70,161	54,706
Cash and cash equivalents at the end of the year	69,301	70,161

The accompanying notes form part of the financial statements

NOTES TO THE 2022/2023 FINANCIAL STATEMENTS

1. Principal Accounting Policies

Basis of preparation

These financial statements have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, regulation 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Statement of Recommended Practice: Accounting for Further and Higher Education 2019, (SORP) and in accordance with applicable accounting standards. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets).

Going concern

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

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

The University Audit and Risk Committee has reviewed cash flow forecasts for a period of 24 months from the date of approval of these financial statements. The University Court has discussed and endorsed the Committee's conclusion that, taking account of severe but plausible downsides, including the anticipated impact of Covid, the Group and parent University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The 2023/24 budget has been prepared and shows an operating surplus of £5.0m. The budget illustrates that the University will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The University has a revolving credit facility of up to £40 million, which is currently unused and is not forecast to be utilised during 2023/24.

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

Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2023. Intra-group transactions are eliminated on consolidation.

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

Recognition of income

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

Tuition fee income is stated gross and credited to the Consolidated Statement of Comprehensive Income and Expenditure over the period in which the students are studying. This represents a change in accounting policy compared to prior years, when the income was recognised when the University was entitled to

it. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Investment income is credited to the Consolidated Statement of Comprehensive Income and Expenditure on a receivable basis.

Funds which 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.

a) Grant funding

Government revenue grants and research grants from government sources are recognised in income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as

deferred income within creditors and allocated between creditors due within one year and due after more than one year, as appropriate.

Grants, including research grants, from non-government sources are recognised in income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors and released to income as the conditions are met.

b) Donations and endowments

Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is

utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the University is entitled to the funds.

Investment income and appreciation of endowments are recorded in income in the year in which they arise as either restricted or unrestricted income according to the terms of any restriction applied to the individual endowment fund.

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

1. Restricted donations – the donor has specified that the donation must be used for a particular objective.
2. 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.
3. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University has the power to use the capital.
4. 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.

c) Capital grants

Capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

Accounting for retirement benefits

The two principal pension schemes operated for the University's staff are the Scottish Teachers' Superannuation Scheme ("STSS") and the Local Government Pension Scheme ("LGPS"). Academic staff join the STSS, whilst the LGPS provides similar benefits for other employees of the University. Both schemes are defined benefit schemes which are externally funded.

Contributions to the STSS are charged to the income and expenditure so as to spread the cost of pensions over the period during which the University benefits from the employee's services. Variations from regular cost are spread over the

expected average remaining working lifetime of members of the scheme after making allowances for future withdrawals.

The contributions are determined by the STSS Trustees on the basis of advice provided by qualified actuaries.

In the LGPS scheme the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The University will recognise a liability for its obligations under the defined benefit scheme net of scheme assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of scheme assets. The

calculation is performed by a qualified actuary using the projected unit method. Where the calculation results in a net asset, recognition of

the asset is limited to the extent to which the University is able to recover the surplus either

through reduced contributions in the future or through refunds from the scheme.

Employment benefits

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

Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of a finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so

as to produce a constant periodic rate of interest on the remaining balance of the liability.

Service Concession Arrangements

Fixed assets held under service concession arrangements are recognised on the Balance Sheet at the present value of the minimum lease payments when the assets are brought into use with a corresponding financial liability.

Payments under service concession arrangements are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the lifetime of the arrangement.

Operating leases

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

Any lease premiums or incentives are spread over the minimum lease term.

Foreign currency

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 year end 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.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets which were revalued to fair value on the date of transition to the 2015 SORP are measured on the basis of deemed cost being the revalued amount at the date of that revaluation. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and Buildings

Land is stated at deemed cost on the date of transition to the 2015 SORP. Land is not depreciated as it is considered to have an indefinite life.

Buildings are stated at cost less accumulated depreciation. Costs incurred in relation to buildings after their initial purchase or construction are capitalised to the extent that they increase the expected future benefits to the University.

Buildings are depreciated over their expected useful life of 50 years. Certain items of infrastructure, including wiring and heating installations are depreciated over their expected useful life of 25 years. Temporary buildings are depreciated over the period in which they are granted planning permission.

No depreciation is charged on assets in the course of construction.

Property which is expected to be sold within one year of the Balance Sheet date is held within Current Assets as an Asset held for sale.

Investment property is initially measured at cost. Subsequent valuations will be at fair value and carried out at least every three years.

Vehicles and equipment

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

Non-computer equipment	10 years
Furniture	10 years
Residences furniture and fittings	8 years
Computer equipment	3 years
Research equipment	2 years or project life

Investments

Investments are held at fair value, with movements recognised in the Consolidated Statement of Comprehensive Income and Expenditure.

Stock

Stock is held at the lower of cost and net realisable value. No account is taken of stock

held in academic or professional service departments.

Cash and cash equivalents

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

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

Provisions

Provisions are recognised in the financial statements 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.

Taxation

The University is an exempt charity within the meaning of the Charities and Trustee Investment (Scotland) Act 2005 and as such is a charity within the meaning of section 506 (1) of the Income and Corporation Taxes (ICTA) Act 1988. The University is recognised as a charity by HM Revenue & Customs and is recorded on the index of charities maintained by the Office of the Scottish Charity Regulator. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 of the ICTA

1988 or sections 478 to 488 of the 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 to exclusively charitable purposes.

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

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

Reserves

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

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

Estimation techniques

The preparation of the financial statements requires management to make estimations that affect the financial statements during the reporting period. Actual results could differ from those estimates. Estimates are principally used when accounting for defined benefit pension schemes and the carrying value and depreciation of tangible fixed assets. Details of the estimates used are set out in the relevant accounting policy and financial statement note.

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	University £000	Consolidated £000	University £000
2. Scottish Funding Council grants				
Recurrent teaching grant	55,327	55,327	56,539	56,539
Research grant	3,736	3,736	2,298	2,298
Capital grants	899	899	1,190	1,190
Other grants	6,546	6,546	8,550	8,550
	66,508	66,508	68,577	68,577
3. Tuition fees and education contracts				
Scotland and EU fees	19,016	19,016	20,326	20,326
Other UK fees	4,937	4,937	4,888	4,888
Non-EU fees	48,974	39,023	29,295	20,264
Non-credit bearing course fees	2,873	-	3,288	-
	75,800	62,976	57,797	45,478
4. Research grants and contracts				
Research councils and charities	1,536	1,536	1,759	1,759
Industry and commerce	1,182	848	864	679
Government	1,608	1,608	1,215	1,215
Other	1,218	1,218	1,263	1,263
	5,544	5,210	5,101	4,916
5. Other income				
Residences, catering and conferences	11,678	11,678	8,484	8,484
Capital grants	-	-	1,900	1,900
Job retention scheme ('furlough') grant	-	-	47	47
Other income	5,401	4,480	5,562	4,490
	17,079	16,158	15,993	14,921

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	University £000	Consolidated £000	University £000
6. Investment income				
Investment income from endowments	9	9	8	8
Net credit on pension scheme (note 19)	1,026	1,026	-	-
Other investment income	1,785	1,745	269	238
	<u>2,820</u>	<u>2,780</u>	<u>277</u>	<u>246</u>
	=====	=====	=====	=====
7. Donations and endowments				
Restricted donations	491	-	526	-
Unrestricted donations	602	6,652	38	7,908
	<u>1,093</u>	<u>6,652</u>	<u>564</u>	<u>7,908</u>
	=====	=====	=====	=====
8. Staff costs				
Salaries	75,661	70,469	67,184	62,306
Social security costs	7,849	7,469	7,010	6,642
Other pension costs (note 19)	17,948	17,194	24,036	23,331
	<u>101,458</u>	<u>95,132</u>	<u>98,230</u>	<u>92,279</u>
	=====	=====	=====	=====
Emoluments of the Vice-Chancellor:			2023	2022
			£000	£000
Salary			226	219
Payments in lieu of pension contributions			46	44
			<u>272</u>	<u>263</u>
			=====	=====
The remuneration of the Vice-Chancellor is 6.3 times the median remuneration of all other staff.				
The number of other higher paid staff who received emoluments, excluding national insurance and pension contributions, but including payments in lieu of pension contributions, in the following ranges was:				
			2023	2022
			number	number
£100,000 - £109,999			12	5
£110,000 - £119,999			2	1
£120,000 - £129,999			2	4
£130,000 - £139,999			2	-
£140,000 - £149,999			3	-
£150,000 - £159,999			1	2
£160,000 - £169,999			1	-
£170,000 - £179,999			-	1

8. Staff costs (cont.)

	2023	2022
	number	number
The average number of staff by major category was:		
Academic departments	872	801
Academic services	285	269
Central administration	276	243
Other	182	180
	-----	-----
	1,615	1,493
	=====	=====
	£000	£000
Compensation for loss of office paid to former senior post-holders		
Compensation paid to no (2022: none) former senior post-holders	-	-
	=====	=====
Key management personnel		
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel. The University's key management personnel are the members of the University Leadership Team.		
Key management personnel compensation	1,342	1,286
	=====	=====

9. Analysis of expenditure by activity	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	University £000	Consolidated £000	University £000
Academic departments	60,398	60,398	52,133	52,133
Academic services	32,377	32,377	33,292	33,292
Central administration	23,172	23,172	20,265	20,265
Property	9,810	9,810	9,658	9,658
Research grants and contracts	9,499	9,499	7,121	7,121
Residences and catering	11,060	11,060	9,539	9,539
Napier University Ventures Ltd	8,437	-	7,596	-
Other expenditure	6,577	6,216	15,414	14,972
	161,330	152,532	155,018	146,980
Other operating expenses includes:				
External auditor – audit services	143	123	91	85
External auditor – other services	27	27	93	90
Internal auditor – audit services	84	84	139	139
Operating lease rentals - buildings	6,902	6,902	6,208	6,208
Operating lease rentals - vehicles	13	13	19	19
	7,169	7,149	6,550	6,541
10. Interest and other finance costs				
Loans interest	540	540	580	580
Non-utilisation costs	164	164	178	178
Net charge on pension scheme (note 19)	-	-	1,224	1,224
	704	704	1,982	1,982
11. Taxation				
Corporate tax on overseas activities	469	328	344	292

	Assets under construction £000	Land and buildings £000	Vehicles and equipment £000	Total £000
12. Fixed assets - Consolidated				
Cost or valuation				
At 1 August 2022	1,975	155,128	26,099	183,202
Additions	237	1,011	2,927	4,175
Transfers	(1,975)	1,975	-	-
Disposals	-	-	(4,029)	(4,029)
	-----	-----	-----	-----
At 31 July 2023	237	158,114	24,997	183,348
	=====	=====	=====	=====
Depreciation				
At 1 August 2022	-	48,603	18,389	66,992
Charge for the year	-	3,865	2,586	6,451
Disposals	-	-	(4,029)	(4,029)
	-----	-----	-----	-----
At 31 July 2023	-	52,468	16,946	69,414
	=====	=====	=====	=====
Net book value at 31 July 2023	237	105,646	8,051	113,934
	=====	=====	=====	=====
Net book value at 31 July 2022	1,975	106,525	7,710	116,210
	=====	=====	=====	=====
Fixed assets – University				
Cost or valuation				
At 1 August 2022	1,975	155,128	25,937	183,040
Additions	237	1,011	2,927	4,175
Disposals	(1,975)	1,975	-	-
	-	-	(4,029)	(4,029)
	-----	-----	-----	-----
At 31 July 2023	237	158,114	24,835	183,186
	=====	=====	=====	=====
Depreciation				
At 1 August 2022	-	48,603	18,284	66,887
Charge for the year	-	3,865	2,574	6,439
Disposals	-	-	(4,029)	(4,029)
	-----	-----	-----	-----
At 31 July 2023	-	52,468	16,829	69,297
	=====	=====	=====	=====
Net book value at 31 July 2023	237	105,646	8,006	113,889
	=====	=====	=====	=====
Net book value at 31 July 2022	1,975	106,525	7,653	116,153
	=====	=====	=====	=====

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	University £000	Consolidated £000	University £000
13. Non-current investments				
At 1 August	2,611	1,364	2,792	1,359
Additions	403	62	146	21
Disposals	(380)	(73)	(267)	(25)
Appreciation / (diminution) of investments	(108)	(70)	(60)	9
Transfer to current investments	(515)	(515)	-	-
	-----	-----	-----	-----
At 31 July	2,011	768	2,611	1,364
	=====	=====	=====	=====
14. Stock				
Stock for resale	59	59	32	32
	=====	=====	=====	=====
15. Trade and other receivables				
Trade receivables	8,175	5,095	5,978	3,234
Prepayments and accrued income	1,525	1,091	3,194	2,771
Other receivables	5,807	5,763	966	911
Research grants receivable	1,018	1,018	680	680
	-----	-----	-----	-----
	16,525	12,967	10,818	7,596
	=====	=====	=====	=====
16. Creditors: amounts falling due within one year				
Trade payables	5,646	5,646	4,119	4,119
Taxation and social security	2,056	2,056	1,790	1,790
Other payables	2,825	2,693	2,821	2,692
Accruals and deferred income	38,860	37,470	36,227	35,260
Research grants received on account	2,161	2,161	2,126	2,126
Loans from Scottish Funding Council	-	-	21	21
Other loans	267	267	-	-
Amounts owed to subsidiary undertakings	-	3,865	-	3,826
	-----	-----	-----	-----
	51,815	54,158	47,104	49,834
	=====	=====	=====	=====

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	University £000	Consolidated £000	University £000
17. Creditors: amounts falling due after more than one year				
Unsecured loan repayable by 2039	-	-	10,000	10,000
Other loans	535	535	-	-
	-----	-----	-----	-----
	535	535	10,000	10,000
	=====	=====	=====	=====

During 2021/22 the University had an unsecured loan from Barclays Bank plc. This was fully repaid during 2022/23.

The University has an unsecured revolving credit facility from Bank of Scotland plc expiring July 2027. To date, none of this facility has been used.

18. Provisions – Consolidated and University	Unfunded	Defined	Total
	pensions	benefit	
	£000	obligations £000	£000
At 1 August 2022	11,189	-	11,189
Income from investments	27	-	27
Early retirement pensions	(932)	-	(932)
Transfer to income and expenditure account	(540)	-	(540)
	-----	-----	-----
At 31 July 2023	9,744	-	9,744
	=====	=====	=====

Unfunded pensions

A valuation of the unfunded pension liability was carried out at 31 July 2023, by Mercer Limited, an independent firm of actuaries.

Defined benefit obligations

A valuation of the defined benefit obligations was carried out at 31 July 2023 by Hymans Robertson, an independent firm of actuaries (see note 19). For 2021/22 a defined benefit asset was recognised. Recognition of this asset is capped under accounting standards. This cap is calculated by Hymans Robertson and will be reassessed at each balance sheet date. For 2022/23 this is capped at nil.

19. Pension schemes

There are two pension schemes operated for University staff. These are the Scottish Teachers Superannuation Scheme (STSS) and the Local Government Pension Scheme (LGPS). The total pension cost for the year was £17,948,000 (2022 - £24,036,000)

	2023	2022
	£000	£000
Total pension costs for the year (note 8)		
STSS – contributions paid	8,211	7,097
LGPS – charge to the income and expenditure account	9,737	16,939
	-----	-----
	17,948	24,036
	=====	=====

The Scottish Teachers Superannuation Scheme is the principal scheme for University academic staff. It is an unfunded defined benefit scheme. Contributions on a pay as you go basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purposes of determining contribution rates.

The UK Government's Public Service Pensions Act requires that a valuation of the STSS must be undertaken every four years to measure the costs of benefits being provided. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	31 March 2016
Actuarial method	Projected unit
Discount rate	4.45%
Pension increases	2.00%
Long term salary growth	4.20%
Actuarial value of assets	£21.5bn
Proportion of members' accrued benefits covered by the actuarial value of the assets	94.3%

The notional value of assets at the valuation date was £21.5bn. The past service liabilities of the scheme were valued at £22.8bn, resulting in a notional deficit of £1.3bn.

The employer contribution rate was 17.2% during August 2020, and increased to 23% with effect from 1 September 2020, until 31 March 2023.

Under the definitions set out in FRS102 and the 2015 SORP, the STSS is a multi-employer pension scheme. The University is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the University has taken advantage of the exemption in the SORP and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

19. Pension schemes (cont.)

The Local Government Pension Scheme is the principal scheme for non-academic staff of the University. It is a funded defined benefit scheme, with assets held in separate trustee administered funds. The University is one of many employers who participate in the scheme.

The most recent actuarial valuation was performed for the three year period to 31 March 2020. The following assumptions were made for actuarial valuation purposes:

Discount rate	3.0%
Pay increases	2.45%
Price inflation / pension increases	1.95%

The methodology used to calculate the CPI assumption has been updated to make allowance for inflation experience since September 2022 being higher than assumed. This adjustment has resulted in the CPI assumption being 0.20% higher than the assumption that would have been derived using the methodology adopted at 31 July 2022.

The impact of the change in methodology used to calculate the CPI assumption has resulted in a c.£8.3m increase in the defined benefit obligation – based on a 0.2% increase in the CPI assumption and determined using the sensitivity information provided in the FRS 102 report.

The market value of the assets at the valuation date was £7,479m. The past service liabilities of the scheme have been valued at £7,071m resulting in a surplus of £408m, which is an improvement on the 2017 deficit of £145m. The 2020 valuation represents a funding level of 106%. For the year ended on 31 March 2023 employer contributions were 20.8% of pensionable pay. Future employer contributions are expected to be:

Year ended:	31 March 2024	20.8% of pensionable pay
-------------	---------------	--------------------------

The following information is based upon the full actuarial valuation of the fund at 31 March 2020, updated to 31 July 2023 by a qualified independent actuary.

	July 2023	July 2022	July 2021
Rate of increase in salaries	3.50%	3.25%	3.2 %
Rate of increase in pensions	3.00%	2.75%	2.7 %
Discount rate	5.05%	3.5 %	1.6 %
Inflation rate	3.00%	2.75%	2.7 %

The University has updated the mortality base table assumptions as at 31 July 2023 following analysis undertaken by the Fund Actuary for the Fund valuation as at 31 March 2020. Life expectancy is based on the Fund's VitaCurves (2021: based on the Fund's VitaCurves) with improvements in line with the CMI 2022 model (2022: CMI 2021 model), standard smoothing (Sk7) (2021: standard smoothing), initial adjustment of 0.25% (2022: 0.25%) and a long term rate of improvement of 1.50% p.a. (2022: 1.50% p.a.)

Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	2023		2022	
	males	females	males	females
Current pensioners (65 years of age as at last Triennial valuation)	19.8 years	22.7 years	20.3 years	23.1 years
Future pensioners (45 years of age as at last Triennial valuation)	21.0 years	24.5 years	21.6 years	25.0 years

No adjustments have been made to the mortality assumptions to account for the impact of COVID-19 as the actual plan experience from the period of the pandemic is not yet available and it is too soon to make a credible judgement on the impact of the pandemic on future mortality improvements.

19. Pension schemes (cont.)

In calculating the scheme assets and liabilities, the fund's actuaries had to make a number of assumptions about events and circumstances in the future. These assumptions represent the best estimate of expected outcomes, but it is possible that actual outcomes will differ from those included in the financial statements. Any differences between expected and actual outcomes are reported through experience gains and losses.

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

Change in assumptions at 31 July 2023	Approx. increase to defined benefit obligation	%	£000
0.1% decrease in real discount rate		2%	4,074
1 year increase in member life expectancy		4%	7,757
0.1% increase in the salary increase rate		0%	297
0.1% increase in the pension increase rate		2%	3,849

	July 2023	July 2022	July 2021
	Fair value £000	Fair value £000	Fair value £000
Equities	205,941	195,433	185,082
Bonds	42,317	38,536	35,988
Property	22,569	19,268	15,424
Cash	11,284	22,021	20,565
	-----	-----	-----
Fair value of assets	282,111	275,258	257,059
Present value of scheme liabilities	(193,537)	(244,544)	(328,307)
	-----	-----	-----
Net pension surplus / (deficit)	88,574	30,714	(71,248)
	=====	=====	=====

The following amounts at 31 July were measured in accordance with the requirements of FRS102. As the University's share of the scheme is in a surplus position for 2022/23, there is a ceiling to which this can be recognised. The ceiling has been calculated by the scheme actuaries in line with accounting standards, and will be assessed at each balance sheet date.

	2023	2022
	£000	£000
Analysis of the amount shown in the Balance Sheet		
The University's estimated assets share	282,111	275,258
Present value of the University's scheme liabilities	(193,537)	(244,544)
	-----	-----
Surplus / (deficit) in the scheme	88,574	30,714
	-----	-----
Effect of net asset ceiling	(88,574)	(5,989)
	-----	-----
Surplus / (deficit) recognised under ceiling	-	24,725
	=====	=====

19. Pension schemes (cont.)

Analysis of the amount charged to staff costs (note 8) within the Consolidated Statement of Comprehensive Income and Expenditure

	2023 £000	2022 £000
Current service cost	(9,737)	(16,939)
Past service (cost) / gain (including curtailments)	-	-
	-----	-----
Net charge	(9,737)	(16,939)
	=====	=====

Analysis of the amount credited to investment income (note 6) or charged to interest and other finance costs (note 10) within the Consolidated Statement of Comprehensive Income and Expenditure

Interest income on plan assets	9,685	4,132
Interest cost on defined benefit obligation	(8,659)	(5,356)
	-----	-----
Net credit / (charge)	1,026	(1,224)
	=====	=====

Analysis of movements in the present value of scheme liabilities

Balance at 1 August	244,544	328,307
Current service cost	9,737	16,939
Employee contributions	2,145	1,925
Past service cost (including curtailments)	-	-
Benefits paid	(6,157)	(5,417)
Interest costs	8,659	5,356
Other experience	-	14,201
Changes in financial assumptions	(62,209)	(115,365)
Changes in demographic assumptions	(3,182)	(1,402)
	-----	-----
Balance at 31 July	193,537	244,544
	=====	=====

Analysis of movements in the fair value of scheme assets

Balance at 1 August	275,258	257,059
Employee contributions	2,145	1,925
Employer contributions	6,936	6,188
Benefits paid	(6,157)	(5,417)
Expected return on assets	9,685	4,132
Other experience	-	-
Return on assets excluding amounts included in net interest	(5,756)	11,371
	-----	-----
	282,111	275,258
	=====	=====

19. Pension schemes (cont.)

Actuarial gain recognised in the Consolidated Statement of Comprehensive Income and Expenditure

Return on scheme assets	(5,756)	11,371
Changes in financial assumptions	62,209	115,365
Changes in demographic assumptions	3,182	1,402
Other experience	-	(14,201)
	-----	-----
Net gain	59,635	113,937
	-----	-----
Net gain / (loss) recognised under ceiling	(22,950)	107,948
	=====	=====

History of experience gains and losses

	2023	2022	2021	2020	2019
	£000	£000	£000	£000	£000
Difference between the expected and actual return on scheme assets	(5,756)	11,371	27,954	(17,380)	13,212
% of scheme assets	3.0%	4.1%	10.9%	7.8%	5.7%
Experience gain / (loss) on scheme liabilities	65,391	102,566	751	(24,258)	(22,918)
% of the present value of the scheme liabilities	33.7%	41.9%	0.2%	7.7%	8.3%

20. Endowment Reserve

	2023	2022
	£000	£000
At 1 August		
Capital	796	834
Accumulated income	(16)	79
	-----	-----
	780	913
Increase / (decrease) in market value of investments	(23)	(38)
Investment income	9	8
Expenditure for the year	(4)	(103)
	-----	-----
Total endowment comprehensive income / (expenditure) for the year	(18)	(133)
	-----	-----
At 31 July	762	780
	=====	=====
Represented by:		
Capital	773	796
Accumulated income	(11)	(16)
	-----	-----
	762	780
	=====	=====

21. Restricted Reserve

At 1 August	1,792	1,743
	-----	-----
New donations	1,045	526
Increase / (decrease) in market value of investments	(24)	(41)
Investment income	31	30
Expenditure	(1,396)	(466)
	-----	-----
Total restricted comprehensive income / (expenditure) for the year	(344)	49
	-----	-----
At 31 July	1,448	1,792
	=====	=====

22. Subsidiary Undertakings

Napier University Ventures Limited, a company limited by guarantee, is not a legal subsidiary of the University. However, as the University exercises a dominant influence, it is treated as a subsidiary for financial reporting and consolidated in these accounts.

Edinburgh Napier Development Trust is not a legal subsidiary of the University. However, as the University exercises a dominant influence, it is treated as a subsidiary for financial reporting and consolidated in these accounts.

23. Cash and cash equivalents	At 1 August 2022	Cash flows	At 31 July 2023
	£000	£000	£000
Consolidated cash and cash equivalents	70,161	(860)	69,301
	=====	=====	=====

24. Capital commitments

As at 31 July 2023 the University and its consolidated subsidiaries had contracted commitments amounting to £1,534,096 (2022 - £1,111,657).

25. Lease obligations	Buildings	Vehicles and equipment	2023	2022
	£000	£000	£000	£000
Future minimum lease payments due:				
Not later than 1 year	6,120	502	6,622	6,209
Later than 1 year and not later than 5 years	25,212	1,056	26,268	24,363
Later than 5 years	56,216	-	56,216	55,349
	-----	-----	-----	-----
	87,548	1,558	89,106	85,921
	=====	=====	=====	=====

26. Discretionary, childcare and midwifery funds

	Discretionary 2023 £000	Childcare 2023 £000	Midwifery 2023 £000	All Funds 2023 £000	All Funds 2022 £000
Balance at 1 August	72	-	-	72	644
Grants received	575	217	86	878	973
Transfer between funds	133	(133)	-	-	-
Interest earned	6	2	1	9	-
	-----	-----	-----	-----	-----
	786	86	87	959	1,617
Disbursed to students	(786)	(86)	(87)	(959)	(1,545)
	-----	-----	-----	-----	-----
Balance at 31 July	-	-	-	-	72
	=====	=====	=====	=====	=====

Discretionary, Childcare and Midwifery Funds are available solely for students; the University acts only as paying agent. The grants and related disbursements are therefore excluded from the Statement of Comprehensive Income and Expenditure.

27. Related party transactions

The University has taken advantage of the exemption available under FRS102, Related Party Transactions, not to disclose transactions with subsidiary companies that are eliminated on consolidation.

The University participates in the Lothian Pension Fund, which is a related party per FRS102, section 33. The transactions and balances at the end of the year are disclosed in note 19.

28. US Department of Education Financial Responsibility Supplemental Schedule

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

The amounts presented within the schedules have been:

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

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

Primary Reserve Ratio

Pg	Related disclosures	Description	Year ended 31 July 2023		Year ended 31 July 2022	
			£000	£000	£000	£000
		Expendable net assets				
58	Unrestricted reserves	Net assets without donor restrictions		138,041		153,962
58	Restricted reserves	Net assets with donor restrictions		2,210		2,572
n/a	n/a	Secured and unsecured related party receivable	-		-	
n/a	n/a	Unsecured related party receivable		-		-
59	Fixed assets	PPE, net	(113,934)		(116,210)	
70	Balance of pre-implementation assets still held	PPE – pre-implementation		(100,351)		(105,481)
n/a	n/a	PPE – post-implementation with outstanding debt		-		-
70	19/20 and 20/21 additions and related depreciation	PPE – post-implementation without outstanding debt		(13,583)		(10,729)
n/a	n/a	CIP		-		-
n/a	n/a	Lease right-of-use asset, net	-		-	
n/a	n/a	Lease right-of-use asset, pre-implementation		-		-
n/a	n/a	Lease right-of-use asset, post-implementation		-		-
n/a	n/a	Intangible asset		-		-

28. US Department of Education Financial Responsibility Supplemental Schedule (cont.)

59	Pensions provision	Post-employment and pension liabilities		9,744	(13,536)
71 – 72	Note 17 and ‘loans’ from note 16	Long term debt for long term purposes	535		10,021
71 - 72	Note 17 and ‘loans’ from note 16	Long term debt for long term purposes, pre-implementation		535	10,021
n/a	n/a	Long term debt for long term purposes, post-implementation		-	-
n/a	n/a	Line of credit for CIP		-	-
n/a	n/a	Lease right-of-use asset liability	-		-
n/a	n/a	Pre-implementation right-of-use leases		-	-
n/a	n/a	Post-implementation right-of-use leases		-	-
n/a	n/a	Annuities with donor restrictions		-	-
77	Restricted expendable capital at 31 July	Term endowments with donor restrictions		-	-
n/a	n/a	Life income funds with donor restrictions		-	-
77	Restricted permanent capital at 31 July	Net assets with donor restrictions: restricted in perpetuity		(762)	(796)
		Total		35,834	32,743
		Total expenses and losses			
57, 72, 77, 78	Total expenses, less pension adjustments, less endowment and restricted expenses	Total expenses without donor restrictions		157,669	142,839
57, 72, 77, 78	See lines below	Non-operating and net investment loss		24,245	(96,357)
57, 78	Gain / loss on investments, less restricted gain / loss	Net investment losses		(60)	20
57, 72, 76	Actuarial gain / loss, plus unfunded pension provision transfer, plus pension interest and staff cost adjustment	Pension-related changes other than net periodic costs		(24,185)	96,337
		Total		157,669	142,839

28. US Department of Education Financial Responsibility Supplemental Schedule (cont.)

Equity Ratio			Year ended 31 July 2023	Year ended 31 July 2022
Page	Related disclosures	Description	£000	£000
Modified net assets				
59	Unrestricted reserves	Net assets without donor restrictions	138,041	153,692
59	Restricted reserves	Net assets with donor restrictions	2,210	2,572
n/a	n/a	Intangible assets	-	-
n/a	n/a	Secured and unsecured related party receivables	-	-
n/a	n/a	Unsecured related party receivables	-	-
		Total	140,251	156,264
Modified assets				
59	Non-current assets + current assets	Total assets	202,345	199,832
n/a	n/a	Lease right-of-use asset pre-implementation	-	-
n/a	n/a	Pre-implementation right-of-use leases	-	-
n/a	n/a	Intangible assets	-	-
n/a	n/a	Secured and unsecured related party receivable	-	-
n/a	n/a	Unsecured related party receivables	-	-
		Total	202,345	199,832
Net Income Ratio				
Page	Related disclosures	Description	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
59	Total comprehensive income, unrestricted	Change in net assets without donor restrictions	(15,651)	100,919
57, 77, 78	Total income, plus gain / loss on disposal of non-current assets, less restricted and endowment income	Total revenues and gains without donor restrictions	166,732	147,745



Image: Dr Pavlos Papadopoulos in our Blockchain Lab at the Merchiston Campus.