

1495



UNIVERSITY OF
ABERDEEN

CELEBRATING
525 YEARS
1495 – 2020

Annual
Report &
Accounts
2019

Open to all and
dedicated to the
pursuit of truth
in the service
of others.

THE SUNDAY TIMES
GOOD
UNIVERSITY
GUIDE
2019
SCOTTISH
UNIVERSITY
OF THE YEAR

BE IN THE KNOW

Ranked in the
Top 30

Universities in the UK

Complete University Guide 2020 and The Times and Sunday Times Good University Guide 2020.



— *Founded* —
1495

*Named Scottish
University of the Year*

The Times and Sunday Times Good
University Guide 2019

1495



UNIVERSITY OF
ABERDEEN
SCOTTISH UNIVERSITY
OF THE YEAR 2019

14,500
STUDENTS

Associated with
FIVE
NOBEL PRIZES

130+
NATIONALITIES

1st

in the UK
in Dentistry
(Guardian University Guide 2020)



**SIR DUNCAN
RICE LIBRARY**

— *named one of the* —
MOST BEAUTIFUL IN THE WORLD**

** CEO World magazine 2016

2nd

in the UK
**for Sports
Science**
(Complete University Guide 2020)



75%

of research classified as
WORLD LEADING

in line with the 2014 Research Excellence Framework (REF) results

— *In the top* —
170
UNIVERSITIES
IN THE WORLD

Times Higher Education World university Rankings 2020

**OLYMPIC
STANDARD**
Aberdeen Sports Village

410
STUDENTS
*enrolled at
Qatar campus*

Contents

Senior Governor's welcome	4
Principal's introduction	5
Vision	6
Strategy at a glance	6
Progress against our strategic plan	7
Statement of corporate governance and internal control	34
Statement of primary responsibilities of Court	39
Membership of Court and key Committees 2018-2019	42
Risk management	52
Financial review	56
Independent auditor's report to the Court of the University of Aberdeen	62
Financial statements	64
Statement of principal accounting policies and estimation techniques	69
Notes to Financial Statements	74
Principal advisors	95
Glossary	96

Welcome

On behalf of University Court, I am delighted to welcome you to our Annual Report and Accounts 2019.

Since my election and appointment as Senior Governor in Spring 2019, it has been my pleasure and privilege to familiarise myself with the University, its students, its staff and members of Court as its governing body. In so doing, I would like to acknowledge the contribution made by my predecessor as Senior Governor, Martin Gilbert, and other members of Court who have completed their terms of office during the course of this year - Kathryn McPhail, James Hall, Lawson Ogubie, Donna Connelly, Rachel Shanks and Nir Oren.

From my very first visit to Aberdeen, the warm welcome afforded to me highlighted the sense of community within our historic university. This sense of inclusivity and belonging is never more evident than in events which bring our staff and students together such as our wonderful graduation ceremonies and the fun-filled Live on the Lawn events, which celebrated our success in university rankings and being awarded the title of Scottish University of the Year by the Times and Sunday Times Good University Guide 2019. Although we pride ourselves on being a university with a global reach, it is vitally important that we do not lose sight of our local roots and the North East community in which we are based. This year, the University had the honour of welcoming members of our local community and representatives from civic, political and business circles to share the celebrations as Professor George Boyne was officially installed as Principal & Vice-Chancellor. I was delighted to be able to join the launch of the eclectic annual May Festival, which continued to attract record-breaking visitor numbers not only to our beautiful campuses, but also to the events which were held elsewhere in the city, including our neighbouring communities of Tillydrone and Powis.

We also play an important role as a member of the wider Higher Education community at a national level. By working with policymakers, civil servants and government ministers, we can help shape the future of the Scottish and UK-wide

Higher Education sectors. As we look to the future in developing our new Strategic Plan we and our colleagues across the sector face a variety of challenges, with issues such as pensions, financial sustainability and Brexit never being far from media headlines. Nevertheless, it is important that we do not lose sight of the excellent progress we are making here at Aberdeen to ensure that we are in as strong a position as possible to address these challenges and to seize the opportunities which are available to us.

Within this Annual Report, we highlight the numerous achievements of our students and our staff in a wide cross-section of disciplines. The local, national and international impact of our outstanding research, the valuable contributions made by our alumni within private, public and third sector organisations across the globe and the world-wide esteem in which our historic institution is held is testament to the hard work of our university community.

I hope you enjoy reading this Annual Report and I look forward to being a part of this wonderful university community as we embark upon our 525th anniversary celebrations.



Esther Robertson
Senior Governor

I am very proud of the substantial progress the University has made during my first year as Principal.

As you will see on the following pages there has been plenty to celebrate since the publication of last year's Annual Report when we had just been named Scottish University of the Year by the Times and Sunday Times Good University Guide 2019.

I have a very strong intellectual and emotional attachment to the University's 1495 foundational purpose of being 'open to all and dedicated to the pursuit of truth in the service of others'. These inspirational aims are just as relevant today as they were 525 years ago and will continue to guide the University in the years ahead.

The coming year will be an exciting one for the University as we celebrate our 525th anniversary and launch a new 20-year strategic plan which will set out our vision and ambition for the University over the next two decades.

In the last year, the University has moved up an average of 10 places in the three UK league tables putting us in the top 30 in two and just outside that in the third. The University was also ranked 168th in the world by the Times Higher, and 31st in the world for our contribution to the United Nations sustainable development goals. This is one of many ways in which the institution is modern as well as ancient, and practical as well as academic.

We are also seeing a significant increase in our international student numbers, with an increase in 2018/19 of more than 20% on the previous intake in September 2017/18, and we continue to see very positive trends in this area. This growth in international student numbers brings substantial benefits to our global reach and diversity, and direct benefits to the north-east economy. Moreover, the expansion of our teaching and learning facilities in Qatar further enhances international opportunities to study for a University of Aberdeen degree.

We are investing in 50 extra academic posts and £100m in our infrastructure on the King's Campus. Work has begun on a new multi-million-pound

Science Teaching Hub. Following the success of our recently secured £60m investment via a private placement, we have plans in place to upgrade our teaching and learning spaces in Old Aberdeen to meet the needs and expectations of contemporary students.

We opened the National Decommissioning Centre in January 2019. This is a global technology Research and Development hub which is an Aberdeen City Region Deal partnership between the University of Aberdeen and the Oil and Gas Technology Centre.

Similarly, we continue to develop innovative taught degree programmes. For example, one of our latest courses, MSc Data Science, is new for this academic year which reflects the enormous increase in demand for Data Scientists across almost every industry sector, from finance to energy, retail, healthcare and cybersecurity.

The launch of our on-demand learning site is also a new and exciting way to engage with academic study and allows us to reach a global audience for our degrees. For full programmes which started in September, we saw a near 40% increase in applications compared to last year which shows the potential for further growth in the online arena in the years ahead.

The University is in excellent shape for the next phase in our development as we continue through our teaching and research to make a positive and sustainable difference to the world around us.



Professor George Boyne
Principal and Vice-Chancellor

VISION:

Transforming the world with greater knowledge and learning

**STRATEGY
AT A GLANCE**

*Our
Mission*

- To enrich people's lives through research, teaching, learning and sharing of knowledge to push boundaries and deliver success
- To be one of the world's top seats of teaching and learning, providing a standout personalised student experience of the highest quality in an international context
- To be one of the world's top research-intensive universities, working with partners and stakeholders to undertake rigorous, relevant, impactful and excellent research
- To ensure that social, cultural and economic impact is at the heart of everything we do
- To build an integrated, collaborative and sustainable physical and digital infrastructure to underpin the University's ambition
- To be a progressive university where staff and students thrive within a culture of equality and diversity to enable them to achieve their aspirations



*Our
Values*

- Innovation and relevance in our education, research and engagement
- Independence and responsibility of thought and action
- Sustainable partnerships with all our stakeholders to drive a culture of inclusion and accessibility
- Respect for all, both within and beyond the University
- An empowered and ambitious University of Aberdeen community where all have an opportunity to thrive

Progress against our 2015-2020 Strategic Plan

Our plan for the period 2015-2020 focuses on three key areas: People, Research, Teaching and Learning



As we approach the University's 525th anniversary, the development of a new institutional strategy, Aberdeen 2040, is underway. Our new strategy will outline our ambitions for the next 20 years, under new leadership, and will replace the current Strategic Plan (2015-2020) which is coming to the end of its life-cycle.

As part of the move to a new institutional strategy, we will be appraising our current performance indicators to ensure that they are aligned to the ambitions outlined in the new 2040 strategy. While anticipating a degree of consistency in terms of the performance measures going forward, it is also expected that there will be changes as new strategic priorities may require different measures of progress.

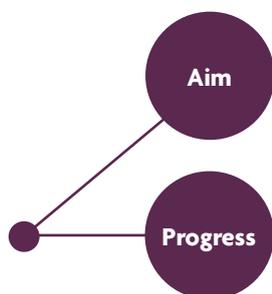
In the interim, we will continue to monitor performance against the current strategic plan. In 2018/19, good progress has been made towards achieving the high level aims and objectives set for the planning period. Performance against key metrics is monitored regularly and reported to University Court.

The following table shows performance against institutional targets to the end of 2018/19. Progress against the plan has been colour coded: Green: target milestone for 2018/19 achieved; Amber: significant progress made and approaching target; Red: target not achieved, further progress required. The change indicator shows whether performance has improved, declined or remained the same during the planning period.

KPI	Target	Status	Change
Athena SWAN	All Schools to achieve Bronze award and at least one School to achieve Silver by 2020	●	▲
International student recruitment	Increase the number of overseas students at UG and PG level	●	▲
Student satisfaction	Increase student satisfaction in the NSS, particularly with teaching, and assessment and feedback	●	▲
Non-continuation rates	Reduce non-continuation rates at undergraduate level from Level 1 to Level 2	●	▼
Employability	Increase the number of graduates who go into graduate employment or further study.*		
Grant income	Increase average grant income per academic member of staff (FTE)	●	▲
REF Preparedness	Enhance the University's performance in REF 2021	●	▲
PGR student recruitment	Increase the average number of PhD students per academic member of staff (FTE)	●	▲
Financial sustainability	Achieve a return to breakeven budget position in 2020/21	●	▲
League table ranking	Enhance the University's performance in the THE and QS Rankings	●	▼

* The sector is moving to a new Graduate Outcomes Survey with the results of the survey carried out in December 2018 due to be published in Spring 2020. No results are therefore available for 2018/19.

PEOPLE



Gender equality:

Aim
By 2020, at least one School will have a Silver Athena SWAN award, enabling the University to apply for institutional Silver award.

Progress
At the end of 2018/19, all eligible academic units had been awarded a Bronze award and the outcome of a Silver award application is pending.

People are at the heart of all University strategy. In the Strategic Plan for 2015-2020, the University committed to continuing to attract and retain the best staff and students from around the world and to fostering a caring culture that promotes and celebrates equality and diversity. We have strategies and governance in place to enhance and support equality and diversity amongst both students and staff, including the Equally Safe Toolkit, the British Sign Language Plan, a Mental Health and Wellbeing Strategy, and in March 2019 we held a very successful Inclusion Week.

The strong institutional engagement with the Athena SWAN Charter, aimed at promoting gender equality and diversity, has continued in 2018/19. The University already holds an institutional Bronze Athena SWAN award which was renewed in 2016. To be eligible to apply for a Silver accreditation, all academic units are required to have achieved a Bronze award and at least one department should hold a valid Silver award. As at 2018/19 all academic units have achieved a Bronze award and one School has applied for Silver. The University aims to renew the Bronze award again in 2020 and to apply for an institutional Silver award by 2021. It is also a mandatory requirement that all our staff undertake online training in equality and diversity in the workplace and uptake continues to improve, with approximately 86% having undertaken training at the end of 2018/19.



The University remains committed to widening access to the University for under-represented groups and has strategies in place to facilitate access for students from areas of multiple deprivation, disabled students, those with caring responsibilities and care-experienced students. First year students are required to complete online equality training. Furthermore, through the institutional Gender Action Plan, efforts are being made to reduce gender imbalances in the student population at subject level.

TEACHING AND LEARNING

International student recruitment:



Aim
By 2020 our international student population will have grown to approx. 2500 students.



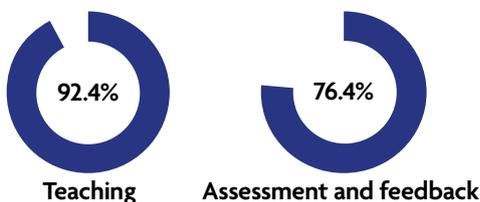
Progress
We have met milestones for international student recruitment in 2018/19.

The University is proud of its strong international standing, with around 40% of our students, equating to 130 nationalities, coming from outwith the UK. We offer our students a truly international educational environment and a wealth of opportunities to undertake an overseas exchange to widen their horizons and enhance their language skills. Brexit presents a significant future threat to the international reach of the University. However, in 2018/19, we have continued to make good progress in growing our international community further, through recruitment of students from all over the world to our Aberdeen and Qatar campuses. As part of this effort, the University's on-demand learning portfolio has been growing rapidly, giving students the option to study online or through blended study and to control the pace, place and method of studying and to build their own degree over time by completing individual building blocks.

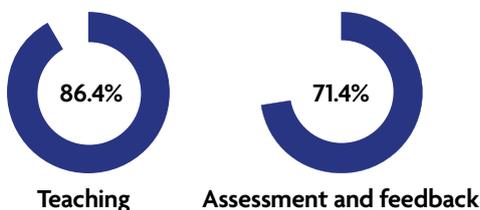
To support our international activities we opened, in August 2019, an International Study Centre in collaboration with Study Group, providing international students who require an academic bridge the opportunity to undertake foundation year studies to meet the University's academic entry requirements.

Student satisfaction:

By 2020 we will achieve a student satisfaction score of 92.4% (for teaching) and 76.4% (for assessment and feedback) in the NSS.



While satisfaction has increased, we did not meet our milestones in 2018/19 of 90.2% (teaching) and 72.7% (assessment and feedback).



Satisfaction amongst our undergraduate students, as measured by the National Student Survey (NSS), has continued to improve in the planning period and in NSS 2019 the University achieved an 87% overall satisfaction rating which is a rise on last year. In terms of ranking, on overall satisfaction Aberdeen is ranked 15th (equal) in the UK (excluding small and specialist HEIs), a rise of ten places, and ranks fourth in Scotland. We are proud of the progress made in 2018/19 but further work is needed. The University will continue efforts to increase satisfaction levels further, not only amongst our undergraduate students but at all levels, so that our students get the best possible educational experience and leave Aberdeen knowing that they have gained skills and experience that will maximise their opportunities upon graduation.



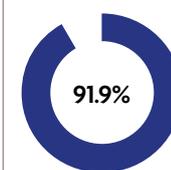
Non-continuation rates:



By 2020, at least 93.5% of our students progress to year 2 of their studies. (6.5% non-continuation)



Progress: In 2018/19 we exceeded our milestone progression target of 91.7% (8.3% non-continuation) achieving a progression rate of 91.9% (8.1% non-continuation).

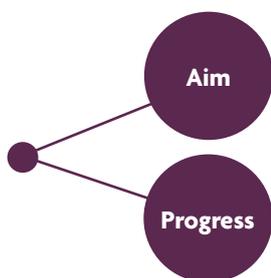


The University wants all its students to succeed and monitors non-continuation rates for this purpose, with particular focus on progression between years 1 and 2 of undergraduate study. The University exceeded its milestone target achieving a 8.1% non-continuation rate in 2018/19, albeit there was a slight regression on the previous year. To meet the varying needs of our students, we have focused on enhancing the induction programme and strengthening further personal engagement with new students in the first few months of study. We have also worked hard to enhance the student support function, with comprehensive systems in place in key areas, including mental health and wellbeing support, and to counter any form of sexual violence or harassment. As a result of these collective efforts, we remain confident that we can meet the ambitious targets set for 2020.

Employability:

We want our graduates to leave the University with skills and knowledge that allow them to move directly into graduate employment or further study. The UK HE sector has recently moved to a new Graduate Outcomes survey, which replaces the Destination of Leavers in Higher Education (DLHE) survey as the sector-wide vehicle for measuring rates of graduate employment or further study. University of Aberdeen graduates have some of the best employment prospects in the UK, and have consistently boasted employability rates above the Scottish and UK-wide averages. The University will continue working with key stakeholder groups to ensure that our graduates are equipped with the skill sets required by industry when they enter the employment market.

RESEARCH



Aim

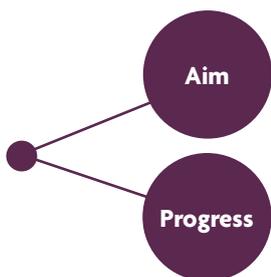
Grant income per staff FTE:

By 2020, grant income per academic staff FTE will have increased.

Progress

The University has met its milestone target, at approximately £95k per staff FTE.

The University is proud to have been awarded The Queen's Anniversary Prize for Higher and Further Education in 2018 in recognition of its world-leading research into health services over the last 40 years. Our research strengths span areas from Energy and the Environment, to Health, Humanities and Law, to Data and Artificial Intelligence. In the current planning period, the focus has been on growing our annual research income generated through research and other knowledge exchange income, to grow our graduate student population to stimulate our research capabilities, and to increase grant contribution per member of academic staff (FTE). In 2018/19, our research has continued to have measurable impact on the world, we collaborate across disciplines and national boundaries, and have built strong relationships with industry, business and society. Research income has remained static but grant income per academic FTE has continued to grow in 2018/19 and we remain confident that we will meet overall targets for 2020.



Aim

Preparedness for REF 2021:

To enhance the University's performance in REF 2021.

Progress

The University is close to meeting milestone targets for research publications eligible for inclusion in REF 2021.

Institutional preparations are well advanced for the Research Excellence Framework exercise (REF) 2021. We have reviewed and graded a large number of our research outputs and have identified a sufficient number that are considered either world leading or internationally excellent. We will continue to work with our researchers to improve the quality profile of our submission.

Number of PhD students per staff FTE:

Aim

By 2020, we will have increased the number of research students per staff FTE.

Progress

The University remains on target with an average of 1.6 research students per member of academic staff (FTE).

The University has a vibrant international research student community and it remains a priority to grow our graduate population further by providing exciting opportunities to study with leading academic staff to address the many pressing challenges facing the world today. Milestone targets were met in 2018/19 with a steady growth in the ratio of research students in the planning period, both institutionally and in most Schools.

Financial Health:

Aim

By 2019/20, the University will have achieved an underlying deficit of £3m and will return to breakeven in 2020/21.

Progress

The University has exceeded milestones set for 2018/19.

The University returned a small underlying surplus in 2018/19. However, with increasing pension contributions, additional costs associated with new borrowing, staff investment in the run up to REF and a requirement to support future growth, the target is to return to an underlying deficit of £3 million in 2019/20 and return to breakeven in 2020/21.

Reputation

Aim

Progress

		2014	2015	2016	2017	2018	2019
To be in the top 100 universities in major international league tables by 2020	THE	178	172	188	185	158	168
	QS	137	137	141	158	172	194

The University continues to monitor performance in key international rankings. While the University's performance in UK rankings has continued to improve in 2018/19, the University's rank in the Times Higher Education (THE) World University

Rankings and the QS World University Rankings in 2019 has not been in line with aspirations. Steps are being taken to ensure that the University's strengths are reflected equally well in global league tables as they are in national rankings.



Teaching & Learning



NEW COLLABORATION RECEIVES £5M TO ENABLE 100 DOCTORAL STUDENTS

A unique PhD opportunity for 100 students in Biological Sciences and Geosciences is available thanks to a new link with Queen's University Belfast.

The two institutions launched the Queen's University Belfast & University of Aberdeen Doctoral Research and Training (QUADRAT) programme in November supported by £5m from the Natural Environment Research Council.

This will be matched by the universities to create the posts, which will equip students with the skills, outlook, purpose and holistic understanding to lead, communicate and translate innovative cross-disciplinary research that meets the challenges associated with the sustainable management of the natural environment.

Successful applicants will receive "T-shaped" training, whereby they develop disciplinary excellence around a specific research project but also gain a breadth of knowledge and a diverse, transferable skills base to ensure that they are competitive as research leaders across a range of career paths, be that inside or outside science or academia.



UNIVERSITY AND ABERDEEN FC TEAM UP IN WIDENING ACCESS DRIVE

A new partnership with Aberdeen Football Club will strengthen the University's links with local schools and encourage participation in higher education.

The University is working with the Aberdeen FC Community Trust (AFCCT) in communities throughout the north-east, providing support and input to the Trust's successful school and community engagement programmes to encourage pupils to consider coming to university.

Experts from the University's Business School use the example of a football club to help pupils develop skills in business, numeracy and economics, while the University's Widening Access Team organise campus visits to demonstrate that a University of Aberdeen education is open to all.

The partnership also increases placement opportunities for students, opportunities for skills development for Aberdeen FC staff, young footballers through the AFC Youth Academy, and potential coaching support for the University's football teams.



UNIVERSITY TARGETS INCREASED WIDENING ACCESS RECRUITMENT

The University has pledged to significantly increase the number of full-time Scottish degree students it recruits from areas classed as among the most deprived 20% in Scotland (SIMD20) as part of its commitment to improve access to higher education.

Professor George Boyne announced efforts to surpass a government target by recruiting 10% of entrants from these areas by September 2019.

The University committed to further improving on targets set by the Scottish government by pledging to meet the target two years ahead of the government's 2021 deadline.

In recent years the University has recruited only between 4 and 5 per cent of students from SIMD20 areas, largely due to the very low proportion of postcode areas classified as such in the north-east, an important recruitment area.

To help the University meet its target more places will be provided for students from Widening Access backgrounds including through clearing, and applications will be accepted from SIMD20 students after the UCAS deadline of 15 January. In addition, funding will be made available to assist applicants and offerholders with travel costs related to the University's recruitment activities and events, for example Open Day or Articulation Day. Furthermore, free accommodation will continue to be offered for the first year of study for students from SIMD20 areas.

UNIVERSITY CHOIR 'COME TOGETHER' FOR CHARITY BEATLES MEDLEY



The University of Aberdeen's Chapel Choir took centre stage at the 2018 UNICEF Snowflake Ball in New York, one of the world's most prestigious fundraising galas.

University students sang alongside headline performer Sheryl Crow at the gala, which is a celebration of the work that UNICEF does for children and an opportunity to raise awareness about the critical issues they face.

Since 2004 the Snowflake Ball has raised over \$34m for UNICEF USA. It also provides an opportunity to honour the contributions made to humanitarian causes by notable public figures.

In 2018, the George Harrison Humanitarian Award was presented to Sir Ringo Starr and, in tribute, the choir joined Sheryl Crow for a special rendition of the Beatles' 'Here Comes the Sun.'

PRINCIPAL'S AWARD ENCOURAGES LOCAL SCHOOLCHILDREN TO AIM FOR UNIVERSITY



A new award that aims to recognise academic potential among local schoolchildren with ambitions to reach university has been launched.

The Principal's Award of Excellence will be annually awarded to one school pupil at National 5 and one pupil at Higher level at north-east secondary schools, and builds on the University's efforts to strengthen its links with schools in Aberdeen and Aberdeenshire.

At the inaugural ceremony, Principal Professor George Boyne, said: "This University was founded to serve the people of the north-east, with the guiding principle that it should be open to all.

"With this in mind, we have created the Principal's Award to recognise and encourage local school pupils with the potential and ambition to reach university to keep striving for this goal, no matter their background or individual circumstances."



BUSINESSMAN GIFTS OVER £270,000 TO WIDEN ACCESS TO HIGHER EDUCATION

Expat Aberdonian businessman Dave Cormack and his family donated more than £270,000 to set up a new scholarship programme to enable students from widening access backgrounds to study at the University of Aberdeen.

Over the next three years, the scholarship, donated through the University of Aberdeen Development Trust, will support two students a year through a business degree at the Business School.

Teaching & Learning

RANKINGS

The University has seen significant improvements in national league tables this year.

- Aberdeen was named Scottish University of the Year in the Times and Sunday Times Good University Guide 2019. A strong performance across several key indicators saw the University climb 14 places from 40th to 26th in the UK rankings - the biggest move by a university that appeared in last year's top 40, which placed it on the shortlist for UK University of the Year.
- Aberdeen was ranked 34th in the UK and 5th in Scotland in the Guardian University Guide 2020, climbing 17 places.
- In The Complete University Guide rankings 2020, Aberdeen was named within the top 30 universities in the UK.
- The University was ranked 31st in the world in terms of the impact it has on society by the new Times Higher Education University Impact Rankings, which are based on the United Nations' 18 Sustainable Development Goals. The rankings also placed Aberdeen as 5th in the world for responsible consumption and production.



QAA SCOTLAND REVIEW

In its Enhancement Led Institutional Review, the Quality Assurance Agency for Higher Education (QAA) commended the University for effectively supporting the needs of an increasingly diverse student population and championing equality and diversity across the institution. The University was awarded commendations for ongoing work in Student Support, Student Engagement, Widening Access and Communication Policies alongside Quality Processes and Arrangements for Self-Evaluation and Enhancement.

NATIONAL STUDENT SURVEY

The University has been ranked joint 15th in the UK for overall student satisfaction in this year's National Student Survey (NSS), a rise of ten places on last year.

This year, the University has seen significant improvement in a number of areas, most notably in Teaching (ranked 20th in the UK, a rise of 21 places), Learning Community (20th, up 15), Learning Resources (6th, up 36), and Organisation and Management (9th, up 5)



ON-DEMAND LEARNING AT ABERDEEN

The University's new on-demand learning website launched in 2019 and showcases a range of online and blended learning courses and provides a streamlined route for applications.

These online courses enable students to study when it is most convenient for them.

Blended courses are also available offering the best of both worlds – opportunities to study where and when it suits individuals, as well as access to University labs and facilities, face-to-face teaching, and networking.

INTERNATIONAL STUDY CENTRE

The International Study Centre (ISC) was launched in March 2019 to help overseas students assimilate to life and higher education in Scotland.

The centre, which is based at the heart of the King's Campus, provides a new pathway for overseas students who wish to embark on degree level study in Scotland but require some additional support to meet entry requirements or adjust to studying and living in the UK.

The ISC is managed by Study Group, an Office for Students (OfS) registered pathway provider with global experience in preparing students for university study.

CAMPUS CELEBRATIONS

GRADUATION

Graduation ceremonies are always a special time on campus, and in June 2019 we welcomed students from our Qatar campus, which is run by partner organisation the Al Faleh Group (AFG), to Aberdeen to receive their degrees.

The AFG College students graduating at the ceremony were part of the first undergraduate business management cohort of the 2017 inaugural intake.

LIVE ON THE LAWN

There has been plenty to celebrate this year and in March we hosted an exciting event to say thank you to our students for helping us to be named Scottish University of the Year.

Live on the Lawn saw Elphinstone Lawn and Hall filled with a variety of fun-filled activities, free food and refreshments, live music and a wonderful carnival atmosphere. It was such a success, we held another to thank and celebrate our staff!



INVESTING

to shape a new chapter in the University's history

REVITALISING the King's campus and improving its connections to the local community is at the heart of an ambitious £100m project to enhance spaces for teaching and learning.

Incorporating a wide-portfolio of projects, the transformational plans will be financed by borrowing via a private placement (bond).

Building work is already underway on a new Science Teaching Hub. Located on St Machar Drive near the Fraser Noble building, student Hub and Sir Duncan Rice Library, the Science Teaching Hub is the first major building project at the University since the Rowett Institute opened in 2016.

The first sod was cut in May 2019 and the building will open in September 2021.

When complete it will transform the learning experience for thousands of students and encourage school children to get involved in science subjects.

Elsewhere on campus ambitious concepts are being examined to revitalise the historic heart of King's College. The proposals are possible after the University recently secured £60m of investment via a private placement bond, of which £50m is available for the regeneration of King's College.

New educational spaces are proposed for Cromwell Tower, The Stack and the Senate wing – areas that are either little, or poorly used.

Regeneration work is also underway inside the King's South Quad wing where four traditional lecture theatres last reconfigured in the 1970s are being overhauled to make way for two large collaborative teaching spaces.



Future projects will also include New King's, with potential remodelling of the interior being considered to create further modern learning environments.

The campus regeneration is ongoing at the same time as consultation to create a new strategy - Aberdeen 2040 - to shape the direction of the University over the next 20 years - and it follows on from the University's largest-ever recruitment campaign which saw 50 new academic posts created.

The strategy will build upon the recent successes of the University as the Times and Sunday Times' Scottish University of the Year for 2019, holder of the Queen's Anniversary Prize for Higher and Further Education and its top 160 ranking in the Times Higher Education World University Rankings 2019.

The new academic appointments will join the University across multiple academic areas, including energy, environment, health, data and artificial intelligence, and humanities and law.

The investment in academic staff is part of a commitment to enhance the University's status as a world leader in research.

Principal and Vice Chancellor, Professor George Boyne, said: "This is an exciting and dynamic time to be studying and working at the University of Aberdeen, with big investment and bold regeneration ahead.

"Some of the proposals in development will transform estate that has been 'lost' over the years and yet exists at the very heart of our campus. As well as bringing neglected spaces back to life, we are looking at creating better connectivity that will open up areas of our campus that will be unknown to many.

"This is the first phase of our vision to bring greater vibrancy and cohesion to the heart of our Old Aberdeen campus and make it the very best it can be as we plan for our next two decades.

"At the same time we are also making significant investment in academic posts and this is indicative of our ambitions to bring the best and brightest thinkers to Aberdeen to work across disciplines to solve major global research challenges, from energy transition to harnessing the power of AI in healthcare."

"This significant investment in teaching, learning and research will shape the next chapter in our centuries-old success story."





£5M INVESTMENT TO MAINTAIN UK'S STATUS AS GLOBAL LEADER IN OFFSHORE RENEWABLE ENERGY

The University of Aberdeen is included in a national consortium of Universities that have been awarded £5 million to bring together a network of academic, industrial and policy stakeholders.

ORE Supergen is part of a programme of initiatives being funded by the Engineering and Physical Sciences Research Council (EPSRC) and brings together the related research areas of wave, tidal and offshore wind.

Its aim is to maintain the UK's leading position in the field and to address any technical, environmental and interdisciplinary challenges which require a co-ordinated response at national and regional level.

Dr Beth Scott from the University of Aberdeen will be a co-director of the new EPSRC ORE SuperGen Hub. Dr Scott said: "I am absolutely thrilled to have this incredible opportunity to collaborate directly with such a range of extremely talented and dedicated engineering colleagues in helping to design and bring forward a sustainable approach to large scale extraction of renewable energies from our oceans."



NEWER CONTRACEPTIVE PILLS LINKED TO REDUCED OVARIAN CANCER RISK IN YOUNG WOMEN

New types of combined oral contraceptives - containing both lower doses of oestrogens and newer progestogens – are associated with a reduced risk of ovarian cancer in young women.

Researchers at the universities of Aberdeen and Copenhagen investigated the influence of newer hormonal contraceptives (combined and progestogen-only products) on overall and specific types of ovarian cancer in women of reproductive age.

Led by Dr Lisa Iversen and published in the BMJ, the study showed that this positive effect strengthened with longer periods of use and persisted for several years after stopping the pill, providing important reassurance for the 100 million women worldwide who are using hormonal contraception every day.

Professor Phil Hannaford appeared on the BBC's flagship Horizon programme in November when it considered the question: 'The Contraceptive Pill: How Safe is it?' He discussed Aberdeen's findings in regard to how the contraceptive affects women's chances of developing cancer.



ABERDEEN CARDIOVASCULAR AND DIABETES CENTRE LAUNCHED

The University welcomed around 70 guests to the launch of the Aberdeen Cardiovascular and Diabetes Centre (ACDC) in November.

Experts from the University's Medical School and the Rowett Institute are bringing together their expertise to enhance cardiovascular and diabetic patient care through research and education.

The Centre's research encompasses a variety of themes from how to reduce risk in diabetes and cardiovascular diseases, to developing new treatments, improving diagnosis and training future researchers.

Professor Graeme Nixon, who is co-director of the ACDC alongside Professor Mirela Delibegovic, said: "We are fortunate here in Aberdeen that we have so many internationally renowned researchers working in the areas of cardiovascular disease and diabetes, and are, therefore, well placed to bring all this expertise into one collective centre.

"It is impossible to look at these issues in isolation as many diabetics patients also suffer from cardiovascular disease. Our centre will offer the perfect opportunity for the sharing of knowledge and collaboration between our researchers from a variety of backgrounds, from those studying heart disease, to those focussing on obesity and its links with diabetes."



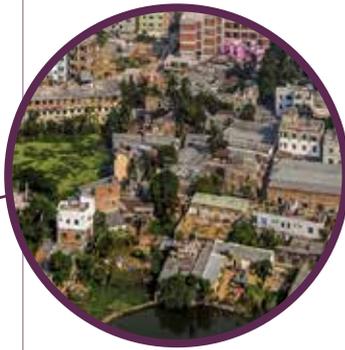
SCIENTISTS EXPLORE AFRICAN BIODIVERSITY TO CREATE LIFE-SAVING DRUGS

Scientists from the University of Aberdeen and University of Ghana are aiming to use Africa's rich biodiversity to create life-saving drugs.

The University has been awarded £0.7m from the Medical Research Council and the Department for International Development to fund an MRC/DFID African Research Leaders Fellowship for Dr Kwaku Kyeremeh from the University of Ghana.

Dr Kyeremeh will work with Dr Hai Deng and Professor Marcel Jaspars from the University's Marine Biodiscovery Centre (MBC) on a project that will seek to develop antibiotic, antiparasitic and anticancer drugs by exploring the huge microbial biodiversity of Ghana.

The project aims to take advantage of the team's existing expertise in cataloguing and isolating free-living microbes from a variety of sources including soils, sediments, plants, mollusc, fish, crabs and crustaceans.



UNIVERSITY TEAM EMBARK ON MAJOR HEART DISEASE STUDY IN SOUTH ASIA

A University research partnership aims to determine how exposure to toxic metals might contribute to high rates of heart disease in South Asia.

A team from the University of Aberdeen's Department of Chemistry, led by Professor Joerg Feldmann, will support the Bangladesh Risk of Acute Vascular Events (BRAVE) study. Led by the University of Cambridge, it is a case-controlled study of thousands of Bangladeshi citizens that is investigating the reasons for the country's high rates of coronary heart disease.

The researchers will study toenail samples from thousands of individuals in order to determine rates of exposure to arsenic and other toxic compounds.

Professor Feldmann said: "Coronary heart disease is increasing at a greater rate in South Asia than in any other region globally, but there are few studies that explore this issue.

"Of all South Asian countries, Bangladesh probably has the highest rates of cardiovascular diseases and yet is one of the most neglected for vascular research."



WORLDWIDE STUDY REVEALS AIR POLLUTION LINK TO UNBORN BABY GROWTH

Exposure to air pollution is linked to babies' growth during pregnancy, according to a landmark new study.

Scientists at the University of Aberdeen reviewed over a decade's worth of research from around the world to establish the extent to which mothers' exposures to air pollution, diet, alcohol and chemicals affects fetal growth.

While there was insufficient evidence that poor diet, alcohol or chemicals were factors, the study found evidence that exposure to nitrogen dioxide resulted in smaller fetal head size, particularly in the last three months of pregnancy.

Professor Steve Turner, who led the study, said: "In our research we looked at all the studies that measured the effects of mothers' exposures to everyday substances including air pollutants, alcohol, and diet on the size of the unborn baby.

"In all of the studies the evidence was clear that in the third trimester in particular, exposure to nitrogen dioxide reduced fetal growth."



People



INVENTOR OF FIRST FULL BODY MRI MACHINE PASSES AWAY

Tributes were paid to Professor James Hutchison, the University of Aberdeen academic who invented the world's first full body MRI scanner, who passed away at the age of 77.

Along with a dedicated team, Professor Hutchison, known as Jim, built the 'Mark 1' machine which successfully scanned its first patient on August 28, 1980.

He helped patent a 'game-changing' technique, known as spin-warp imaging, which was adopted throughout the world and is still used today in hundreds of thousands of MRI machines globally.

The technology behind MRI was developed in the 1970s by a small number of teams worldwide, including those at Aberdeen and Nottingham Universities in the UK. But it was Professor Hutchison, who was appointed to the University's Medical Physics team in the 1960s by Professor John Mallard, who built the first full-body scanner, along with a team that included Dr William Edelstein.



NEW ABERDEEN VICE-PRINCIPAL AMONG UNIVERSITY ACADEMICS RECOGNISED BY RSE

Four University of Aberdeen academics were elected to The Royal Society of Edinburgh (RSE).

Senior Vice-Principal Professor Karl Leydecker, Professor Tom Greggs, Professor Steve Redpath and Professor Jan Skakle were among the 62 new fellows for 2019.

In addition Professors Marcel Jaspars and Andy Porter became Vice-Presidents of the RSE, with responsibility for the International and Business portfolios respectively.



ROYAL APPOINTMENT FOR PROFESSOR PARSON

Leading Aberdeen anatomist, Professor Simon Parson, was appointed Regius Chair of Anatomy.

Professor Parson, who leads the anatomy department at the University of Aberdeen, is the seventh academic to hold the title in Aberdeen since it was first held by Sir John Struthers in 1863. There are just two Regius Chairs of Anatomy in the UK, with the other being in Glasgow.

Professor Parson's research focus is the pathology of the childhood motor neurone disease, Spinal Muscular Atrophy, where he has shown the importance of non-neuronal pathologies in the cause of the disease.



UNIVERSITY STUDENT ORGANISES GIG IN PLACE OF BIRTHDAY CELEBRATIONS

University of Aberdeen student Lewis Hazel marked his 21st birthday by hosting a fundraising gig as part of a campaign to raise £21,000 for two Scottish charities.

He organised the event to raise funds – and awareness – for Breathing Space Scotland and Touched by Suicide Scotland, which help those suffering with mental health issues and those affected by the suicide of a loved one.

The fourth year Mechanical Engineering student was inspired to do something after losing two former school classmates to suicide.

Lewis said: "I know that life as a student and a young man can be difficult and sometimes you just don't know where to turn. I set the target of £21,000 to mark the age myself and my classmates are or will soon be. However, as well as raising funds, I think it is even more important to raise awareness and to get the message out there that it is ok to not be ok."

ABERDEEN ACADEMIC NAMED AS FINALIST IN 2018 CONVERGE CHALLENGE



A University scientist was one of 23 entrepreneurs shortlisted as a finalist in the 2018 Converge Challenge for her life science business, MycoBiologics.

Dr Fiona Rudkin, who is part of the Medical Research Council Centre for Medical Mycology at the University of Aberdeen, established her business MycoBiologics in a bid to better diagnose and treat life-threatening fungal infections.

The spin-out company is dedicated to improving the outcome of patients suffering from life-threatening fungal infections by developing a new class of human antibody-based antifungal drugs to overcome the severe limitations associated with current therapies.

The Converge Challenge showcased emerging technologies and much-needed industry innovations.

DISTANCE STUDENTS ENJOY TIME AT OLD ABERDEEN CAMPUS



Three distance learning PhD students from Malawi spent time experiencing student life at the University as part of a unique partnership between the University and Zomba Theological College.

Created in 2016, the alliance provides opportunities for church leaders across sub-Saharan Africa to study for a MTh Ministry Studies. Rev Dr Ken Jeffrey, coordinator of the University Centre for Ministry Studies, said: "In 1875, Aberdeen Alum Dr Robert Laws founded the first Christian Mission in Malawi and played a crucial role in the education of local people there, and I am delighted that more than 100 years later, the University is maintaining its ties with Malawi."

KING'S COLLEGE START LINE FOR ULTRAMARATHON CHALLENGE



Mark Calder, who completed both a Masters of Research and a PhD in Anthropology at the University, departed from King's College Chapel on the second leg of his planned Running Home Challenge, which included routes around Scotland and the north of England.

The first 45-mile leg took on St Mungo's route from Dunfermline Abbey to Glasgow Cathedral.

Mark, 36, was raising money for Embrace the Middle East, a charity which supports projects helping refugees returning to cities occupied by the Islamic State, particularly in Iraq. His passion for the region grew when he researched peace-building in Syria and the predicament of young people across the southern and eastern Mediterranean regions after completing his doctorate.

Corporate



UNIVERSITY SCRAPS GRADUATION FEE

The administrative fee paid by students to graduate from the University was abolished in February following a campaign championed by Donna Connelly, who was then the Aberdeen University Students' Association Education Officer.

The move came into immediate effect and in June the first cohort of students graduated without the need to pay a £45 fee.

Such was the demand for tickets that graduations moved from Elphinstone Hall to a grand marquee, creating additional space for students and their families to toast their success.

Donna Connelly said: "Graduation is one of the best experiences of a student's time at University and graduation fees can be an unnecessary barrier to them celebrating their achievements with their family and friends. I'm delighted to have worked with the Principal and the University to agree to the scrapping of the graduation fee. As a graduate of the University myself I know that this decision will benefit students and is a welcome step forward."



EVERY SCHOOL AT UNIVERSITY NOW HOLDS ATHENA SWAN BRONZE AWARDS

Every individual School within the University of Aberdeen now holds an Athena SWAN Bronze Award underlining the University's commitment to advancing gender equality.

Advance HE's Athena SWAN Charter recognises commitment to the advancement of gender equality in academic, professional and support roles, and recognises departments and institutions taking action to identify and overcome barriers to career progression for all.

The University has made significant improvements in the working conditions of its staff. Since the original Athena SWAN application in 2012 it has enhanced these conditions by launching various initiatives including: making equality and diversity training mandatory for all staff; introducing several networks (parents, senior women, disability, menopause, staff and postgraduate students LGBT); and striving to ensure promotions and selection committees have a balanced gender representation.



UNIVERSITY CELEBRATES INTERNATIONAL WOMEN'S DAY



The University held its sixth International Women's Day conference in March.

Speakers included Aberdeen-born Annie Wallace, the first ever transgender person cast to play a regular transgender character in a leading UK soap.



ACCLAIMED SCOTTISH AUTHOR SPEAKS OUT ON WOMEN'S WELLBEING

The University welcomed Scottish crime writer Val McDermid to an event, organised jointly with the charity Wellbeing of Women, to raise money in support of women's health.

The event showcased the work of the University in improving women's health, including a new Centre for Women's Health Research, a centre of excellence to be based in the forthcoming £167m Baird Family Hospital within the Foresterhill health campus, which will provide a unique opportunity to embed pioneering clinical research alongside medical care.

UNIVERSITY OF ABERDEEN COMMENDED BY UK INDEPENDENT QUALITY EXPERTS

The UK's independent quality body commended the University effectively supporting the needs of an increasingly diverse student population and championing equality and diversity across the University.

The Quality Assurance Agency for Higher Education (QAA) appointed a team of five independent experts to review the University earlier this academic year.

The team awarded the University commendations in five areas, including developing strong partnership working with its students, a strategic focus on widening access to higher education and the significant development of quality processes to support self-evaluation and enhancement.



STAFF CELEBRATED AT UNIVERSITY AWARDS

Staff at the University were recognised at a special awards ceremony. Prizes awarded ranged from excellence in academia to outstanding service across the University's various professional and support service teams.

Awards were also made to recognise those who have made an outstanding contribution to showcasing the work

of the University to the wider world through the Principal's Prize for Public Engagement.

Professor George Boyne said he was delighted to celebrate the excellent work done by so many colleagues, which was one of the key factors in the Scottish University of the Year 2019 award.



UNIVERSITY LAUNCHES SUPPORT SYSTEM TO TACKLE GENDER-BASED VIOLENCE



A new online tool which will enable staff and students to report concerns and incidents of gender based violence and to access relevant support more easily was launched by the University.

The joint initiative between the University and the Aberdeen University Students Association (AUSA) aims to empower people to make reports of sexual violence or harassment which they witness or experience on or off campus.

It forms part of the Equally Safe in Higher Education (ESHE) campaign which aims to eradicate gender-based violence in Higher Education.



CHEFS MARK AND DOUG NAMED BEST IN UK

Top chefs at the University were named the best in the UK after triumphing at a national university catering and hospitality competition.

Mark Donovan (Executive Chef) and Doug Shewan (Chef Manager) won gold at the University Caterers Organisation (TUCO) event to take the title of best in-house catering team in the UK.

The pair won four awards in total, including the overall award, scooping a bronze and silver for their baking skills in the Salon Culinaire and Doug taking another bronze in in a 'grab and go challenge'.

OFFICIALLY LAUNCHED in 2017 by the University's Research and Innovation team, the Grants Academy was created in response to an increasingly competitive research environment in which universities and their staff are expected to be innovative and collaborative, conducting research that generates an impact both locally and around the world.

A comprehensive programme of development that is directly linked to Aberdeen's strategic objectives, the Grants Academy is a partnership with the University's Schools which aims to significantly enhance the research environment and ensure that researchers - particularly those in the early stages of their career - have the support they need to nurture a constant pipeline of creativity and ideas that can lead to robust applications for external funding.

The Grants Academy provides help and support with all practical elements of the research grant life cycle: from facilitating the development of early ideas and helping develop and refine applications to delivering the research and realising impact, a key



The University of Aberdeen GRANTS ACADEMY

THE UNIVERSITY OF ABERDEEN GRANTS ACADEMY WAS SET UP TO PROVIDE A STRUCTURED FRAMEWORK OF SUPPORT FOR RESEARCHERS THROUGHOUT THEIR ACADEMIC CAREER.

element of REF 2021. It is important that researchers have a vision about who will use the research and how the outcomes will feed into the next stage of their research, as well as for REF.

Harnessing the expertise and knowledge of academics who are already leaders in their field is another key objective of the Grants Academy. Earlier this year, Principal George Boyne announced that Aberdeen would be recruiting 50 leading academics as part of the University's strategy to enhance its status as a world leader in research.

The *Where Great Minds Work Together* campaign is one of the biggest single investments the University has made in recruiting academic staff, and comprises posts spread across multiple academic areas, including energy, environment, health, data and artificial intelligence, and humanities and law. It reflects the University's focus on interdisciplinary teaching and research, a key strand of the University's ambitions to promote collaboration across disciplines to solve big global research challenges.

Professor Marion Campbell, Vice-Principal for Research, said: "While the aim of the Grants Academy is to enhance the career prospects of all researchers, its main target is those at earlier career stages who may need significant assistance to build their external research grant portfolio.

"In recent years, the research environment has become increasingly more competitive and will only continue to get more challenging. It is extremely important that the University harnesses the expertise of its more established academics and researchers and shares this with mid-career and early career researchers.

"Working with the School Directors of Research, we make sure that every early career researcher has a mentor, as well as ensuring that they are familiar with the submission portal, that the science is robust, timely and packaged in the right way and that they know how to respond to peer review. We also make sure they understand the importance of public engagement activities. We are not just focussed on the bid, but also the development of the individual."

The Grants Academy manages internal funding opportunities to pump-prime research and knowledge exchange grants - including the Global Challenges Research Fund Internal Pump Priming Fund (GCRF-IPPF); the Wellcome Trust Institutional Strategic Support Fund (ISSF); the Core Facilities Voucher Scheme, the REF 2021 Impact Support Award and the Research Enhancement Scheme – and advises academics on upcoming deadlines.

To help researchers prepare for and get through the grants' application process, and to help maximise

impact, training sessions and workshops on a wide range of subjects have been organised, such as idea preparation, grant writing, identification of funding, grants submission support, accessing the library of successful applications, interview preparation, rebuttal preparation and mock panels and impact and knowledge exchange.

Conversations On is a series of facilitated sessions aimed at bringing together researchers from across the University with a shared interest in a chosen topic that requires an interdisciplinary approach. Mainly, but not exclusively, linked to the UN Strategic Development Goals, the series is associated with a major UKRI funding stream. The University is trying to maximise its success with this stream given the importance of building capacity in developing countries.

Meanwhile, to help researchers prepare for REF 2021, the University has organised a range of events, to ensure the submission from each Unit of Assessment is as strong as possible including sessions on PURE - a web-based system that captures a wide range of research-related outcomes, impact and activities, analysis of key metrics and impact case studies.

The importance of working with industry is recognised as an important facet of our research landscape and activities such as the Knowledge Transfer Partnership (KTPs) lunch and learn sessions, aim to introduce Innovate UK opportunities with a focus upon KTPs.

Liz Rattray, Research and Innovation Director, said the Grants Academy had been well received by both Schools and researchers during a time that was particularly challenging for higher education research.

"The Grants Academy is all about raising awareness. The University has a comprehensive programme of development directly linked to its strategic objectives and, to try and give it focus, the Grants Academy and the Schools are collaborating to identify a constant pipeline of applications.

"We are always looking at how we can improve the Grants Academy and we actively encourage engagement with academics, asking them to send us any ideas, especially if they sit on a funding panel or a Peer Review Panel. Any information we can glean that is relevant to their network is very important and very much appreciated."





Transforming the future of DECOMMISSIONING

A NEW SCOTTISH HUB WHICH WILL TRANSFORM THE
TRADITIONAL APPROACH TO DECOMMISSIONING OPENED
AT THE UNIVERSITY IN JANUARY 2019.



Decommissioning is a significant technical and operational challenge, and also a valuable opportunity for supply chain companies and technology developers in Scotland and across the UK to develop the capability to meet domestic and global demand.

In partnership with companies, the Centre of Excellence will develop and deploy technology that delivers cost effective decommissioning at the end of field life and during oil and gas production operations, including 'small piece' decommissioning techniques.

It will build on the established research and development capability at the University of Aberdeen in the areas of decommissioning technologies, predictive modelling, environmental assessment and the economics of decommissioning.

The Centre is based at the University's Oceanlab facility, located in the Energetica corridor, which stretches from Aberdeen to Peterhead.

Claire Perry, UK Energy Minister, said: "This new Decommissioning Centre of Excellence is a great example of how the £250m Aberdeen City Region Deal is helping to support the oil and gas sector, building on the impressive work of the Oil & Gas Technology Centre that I visited recently.

"Decommissioning is a global challenge and opportunity for the UK supply chain which industry estimates could be worth up to £23 billion over the next five years. The collaboration between industry and academia on innovative technology is central to the government's Industrial Strategy and advancements in decommissioning developed and supported by the Centre will lead to new export opportunities for UK businesses helping to create the high value, high-skilled jobs of the future."

Paul Wheelhouse, Scottish Energy Minister, said: "Decommissioning continues to be one of the biggest technical and operational challenges facing the North Sea. The creation of an industry-led Decommissioning Centre of Excellence, where industry works in partnership with academia to tackle the current and future challenges, will help create the competitive advantage not only for the oil and gas industry, but for decommissioning challenges in the wider energy sector.

"Over the next decade, our oil and gas sector must capitalise on a decommissioning market that is forecast to reach £17 billion and we must ensure that our world class Scottish supply chain continues to develop its competitive capabilities, become a recognised champion of decommissioning excellence, and to develop world leading expertise that can be exported.

"The Scottish Government, through investing up to £250 million in the Aberdeen City Region Deal, alongside the UK Government, is committed to working alongside this innovative and dynamic sector to establish a Decommissioning Centre of Excellence and to supporting the supply chain here in Scotland."

Sir Ian Wood GBE, Chairman of private sector led and funded economic development body Opportunity North East, said: "Innovation in decommissioning will help to maximise the oil and gas opportunity for the region, which is central to the Economic Renaissance Strategy. The Decommissioning Centre of Excellence aims to have a transformational impact on efficiency, cost effectiveness and safety, driving industry innovation and establishing our region as a major centre of decommissioning knowledge worldwide. This will help anchor a globally active supply chain with high value jobs in the region for the long term."

Councillor Jim Gifford, leader of Aberdeenshire Council and chair of the City Region Deal Joint Committee, said: "Decommissioning is fundamental to the future of our region, and I am pleased to see the City Region Deal supporting another essential strand of work which will anchor a new generation of talent here.

"The model will build on an established research base which, if it can help deliver the sort of projected savings required on the cost of decommissioning, will have a huge impact. It will provide yet another reason for the world to look to Aberdeen and Aberdeenshire for excellence and expertise. The Centre is built on a principle that sits at the heart of our City Region Deal, leveraging knowledge as well as well as partnering across sectors. We look forward to watching the Centre grow and develop."

At the forefront of utilising BIG DATA



HEALTH RESEARCHERS AT THE UNIVERSITY OF ABERDEEN ARE AT THE FOREFRONT OF UTILISING BIG DATA AND ARTIFICIAL INTELLIGENCE (AI) AS THEY SEEK SOLUTIONS TO HEALTHCARE CHALLENGES LOCALLY AND GLOBALLY.

THE UNIVERSITY'S Centre for Health Data Science is playing a key role in a new £15.8m centre of excellence focused on the application of AI in digital diagnostics.

The Industrial Centre for Artificial Intelligence Research in Digital Diagnostics (iCAIRD) brings together a pan-Scotland collaboration of 15 partners from academia, the NHS, and industry.

Professor Corri Black, who heads the Centre for Health Data Science, explained that the work taking place in Aberdeen will focus on working in partnership with clinical teams, patients, industry and academia to realise the benefits of AI for faster and more accurate diagnosis of disease from radiology images.

She said: "For researchers and clinicians, data analytics including AI are an increasingly important and potentially effective tool for ensuring healthcare services are more targeted, efficient and adaptable to meet the needs of patients. Of equal importance is using patients' data in a way that is acceptable, safe, secure and accurate."

Professor Black continued: "We use computers to assist us in making decisions in many aspects of life, and often we are almost unaware of it happening. Health care is no different and making better use of the data that is within the NHS health record is crucial to improving care and health.

"However it is critical that AI technology is developed safely, is explainable and accountable when used to support decision making, and is rigorously evaluated.

"What we are seeking to understand in iCAIRD is what we need to provide in the way of information, infrastructure and governance in the use of data to make people feel comfortable with AI as part of their diagnosis and care pathway and to ensure that the AI tools are transparent, safe and effective."

One measure helping to underpin access to vital data is an innovative partnership with NHS Grampian leading to the creation of the Grampian Data Safe Haven (DaSH), allowing researchers to remotely access datasets in a highly controlled and secure way.

This also enables linkages between vast numbers of datasets and a large cohort dataset – the Aberdeen Birth Cohorts – which is held by the University and which has followed all of the children born in Aberdeen in 1921, 1936, and the period 1950-56 as they grow and age. Already DaSH has helped researchers predict outcomes from kidney disease, understand the impact of early life and education

on physical and mental health as people age, and better understand patients' experience of health care in, for example, cancer, stroke and rheumatology services.

Another area benefitting from the use of big data and AI is breast screening, where technology is being developed to assist radiologists in diagnosing problems.

Professor Black explained: "There are huge pressures on the NHS breast screening programme. There is evidence that a computer can be trained to very effectively identify problems on breast mammography scans, and we are working with industry and clinical partners to develop tools to support radiologists to rapidly and accurately look at scans to identify problems."

This 'machine learning' approach is also leading to AI solutions for radiological diagnosis of limb fractures.

Backed by £240,000 in funding from the Scottish Government and Opportunity North East (ONE), companies have been invited to apply to work alongside the University, NHS Grampian and Canon Medical Research Europe to improve front-line clinical decision making and patient management in unscheduled care facilities, such as accident and emergency departments.

With big data and AI fully integrated into research activities across multiple disciplines, the University has bolstered its research capabilities in this area through a £750,000 upgrade to Maxwell, the University's super-computer.

Managed by Digital Research Services, Maxwell has the computational power equivalent to over 1,200 desktop PCs working in tandem, and one petabyte (1 million gigabytes) of storage to accommodate big data projects.

It can be used in a variety of ways, across many disciplines - from processing imaging data collected from MRI Scans, to environmental modelling and simulating the effect land use has on greenhouse gas emissions.

Incorporating GPU processors, which are ideally suited to solving problems in AI and deep learning, the upgrade allows the University to manage a larger number of big data projects, underlining its commitment to this area of research.

Was Aberdeen the birthplace of SCOTCH WHISKY?

A project to open up the ‘jewel in the crown’ of the City Archives to the world resulted in a significant find which has reframed the early story of Scotch whisky and points to its early origins in Aberdeen.

A PAINSTAKING exercise to unpick the complex hand written entries of the UNESCO recognised Burgh Records, which contain details of everyday life in Aberdeen during the reigns of Robert III, James I, James II, James III, and James IV was undertaken by University researchers.

Led by Dr Jackson Armstrong, and in partnership with the City Archives who care for the original registers, the team deciphered more than 1.5million words of Latin and Scots to create a digital transcription which, together with images of the original pages from eight earliest volumes, has now been made accessible in the resource Aberdeen Registers Online: 1398-1511 (www.abdn.ac.uk/aro).

It means this precious glimpse into medieval life can now be viewed from anywhere in the world.

Dr Claire Hawes, who was one of those tasked with transcribing the registers, which run to more words than the complete works of Shakespeare, stumbled across a reference to ‘ane stellatour for aquavite and ros wattir’ and her interest was immediately piqued.

“I knew aquavite was the Middle Scots word for whisky,” she explains, “and that a reference to this in 1505 must be among the first.”

The researchers were quick to realise the significance and, after investigating, were able to confirm that this was the earliest ever explicit reference found to a still for making whisky in Scotland, and the third-earliest reference to ‘aquavite’ - the first dating from 1494.

Dr Armstrong said the record, detailing the ‘moveable property’ of Andrew Gray, a chantry chaplain in Aberdeen’s parish church of St Nicholas who died in 1504, was a significant find in the history of our national drink.

“This reframes the story of the development of Scotch whisky,” he said. “The only earlier references to aquavite are from within the context of the court of King James IV, while much has been assumed about the origins of whisky in an imagined Highland croft.

“But what we have here is clear evidence that whisky was being produced in the early 1500s within the thriving heart of renaissance Aberdeen where at this time our own university had just been founded and the educational communities of humanism, science and medicine were growing.

“There are also tantalising suggestions in the records about where the still may have been located. Andrew Gray had property in a street known as Guestrow. In Middle Scots this distinct place name was usually written as ‘gastraw’, in which ‘gast’ means ghost or wraith. So the very first reference to a whisky still is likely to have been on a street associated with spirits.”

The discovery of the record for Scotch whisky is just one of many new insights into the period arising from the Aberdeen Burgh Records in recent years.

University researchers have previously demonstrated that a king stepped in to settle a dispute on piracy in Aberdeen, revealed details of the first ever recorded ship to sail from Scotland to the New World and offered insights into the region’s response to the plague.

The potential of the Records to inform the development of video games is also being investigated by historian Dr William Hepburn, who currently holds an AHRC Creative Economy Engagement Fellowship for a project called ‘Playing in the Archives’ and songwriters are exploring how the historical material they contain can be used to create new music.

Dr Armstrong says that by opening up access to this precious resource online, further stories are yet to be uncovered and pieced together.

“We have made huge progress in understanding the Burgh Records but this is far from the end of the story. It will be fascinating to see how others in and beyond Aberdeen are able to work with this wonderful collection.

“The online presentation of the Aberdeen Registers Online was made possible with the excellent support of the University’s own Digital and IT Services, and outstanding efforts by a team of computing science students.

“A preliminary version of our public-facing search site was developed by the students, and Digital and IT Services enabled us to progress that platform and launch a website that opens up this jewel in Aberdeen’s crown to the world.

“We can already see that this is yielding exciting results and we have been awarded £15,000 from Scotch whisky company Chivas Brothers to continue this exciting research and we hope to uncover further details of the origins of whisky in Aberdeen, and related stories.”





MARKING THE CENTENARY OF WWI



The University marked a century since the end of the First World War with a number of important events including the premier of a new work by renowned composer and University of Aberdeen professor, Paul Mealor, attended by Her Royal Highness The Duchess of Rothesay, Chancellor of The University of Aberdeen.

Requiem: The Souls of The Righteous was performed for the first time at St Mary's Cathedral in Edinburgh by the

National Youth Choir of Scotland and Royal Scottish National Orchestra, conducted by Christopher Bell.

Composed to mark the centenary of the end of the First World War, the 'reflective and poignant tribute to peace' was set to new words by distinguished poet Dr Grahame Davies.

On campus, well-known actor and director John Bett and acclaimed singer, songwriter and broadcaster Fiona Kennedy led a cast of staff and students in The Great War Centenary Remembered, which also featured the University choir and pipers from the Officers' Training Corps.

The event guided the audience through the outbreak of the war and some of the major battles that occurred as both sides tried to end the deadlock of trench warfare, including one at Loos, synonymous with the University's own U-Company in which many 'student soldiers' were killed or wounded.

The names of the 342 staff, students and alumni who fell during the First World War were laid out on crosses on Elphinstone Lawn for Remembrance Sunday and musicians from all over the world struck up in unison as part of the Play for Peace initiative spearheaded by a university academic.

MUSICAL TRIBUTE CELEBRATES DISTINGUISHED 70-YEAR UNIVERSITY CAREER OF ABERDEEN MEDIC



Music students celebrated the 'distinguished career and outstanding contribution' of Professor Derek Ogston, who has been associated with the University for 70 years at a special event in June.

Organised by James Aburn, a music student and assistant director of the University chapel choir, the concert gave thanks to Professor Ogston for his continued support to the discipline.

Dr Phillip Cooke, Head of Music and Senior Lecturer in Composition, said Professor Ogston was an integral part of music-making at the University whose continued support had greatly benefited a generation of musicians.

"Professor Ogston's support has not only been of the high-profile events that bear his name - such as the prestigious Ogston Music Prize, a highlight of the musical calendar - but to countless other endeavours both small and large, and supporting many students through scholarships, bursaries and prizes.

"This concert was a small token of appreciation to Derek and a recognition of the incredible service he has given to the university throughout his career. We are proud to have Derek as one of our closest friends and benefactors."

ABERDEEN'S FAMOUS BESTIARY HELPS BRING PRESTIGIOUS GETTY EXHIBITION TO LIFE

The Aberdeen Bestiary, one of the most beautiful examples of its kind in the world, left the UK for the first time since its creation more than 800 years ago to take centre stage at an exhibition in Los Angeles.

It featured in an exhibition at the J. Paul Getty Museum where 115 loans from 45 institutions in Europe and the US, were showcased as part of Book of Beasts: The Bestiary in the Medieval World, which attracted tens of thousands of visitors.

Bestiaries were popular in the 12th and 13th centuries and used to provide Christian moral messages, but few were produced to the high standard of the Aberdeen manuscript, which is considered one of the best examples of its type due to its lavish and costly illuminations.

Beth Morrison, Senior Curator of Manuscripts at the J. Paul Getty Museum, said: "The Aberdeen Bestiary is, of course, one of the most famous due to its beauty. When I asked Aberdeen for the loan, I received a very warm welcome - they were excited about the breadth and ambition of the exhibition and understood the important role it could play."



STARS COME OUT FOR UNIVERSITY OF ABERDEEN'S CELEBRATION OF CAROLS



The University brought together former students at a carol concert supported by a host of famous faces including Game of Thrones actor and alumnus Iain Glen.

The Celebration of Carols took place at St Marylebone Parish Church London and included actor and presenter Tony Robinson, singer and broadcaster Fiona Kennedy and actress Charlotte Emmerson, who each gave readings.

The University's acclaimed Chapel Choir was on hand to lead classic favourites including O Little Town of Bethlehem, Hark the Herald Angels Sing and O Come All Ye Faithful and In the Bleak Midwinter.

The Celebration of Carols also raised funds to support world-class cancer research underway at the University.

SHEDDING LIGHT ON PICT LIFE



A stunning video, based on research by the University has revealed what one of the earliest known Pictish forts may have looked like.

The new video illustrates a fort located on a sea stack, called Dunnicaer, close to the famous Dunnottar Castle.

Archaeologists from the University excavated the site in 2016 and required help from experienced mountaineers to scale the rocky outcrop which measures at most 20 x 12 metres with sheer drops on all sides.

They uncovered evidence of a Pictish settlement abandoned in the late fourth or early fifth century, when the sea stack was likely to have been joined to the land.

This video helps to fully visualise how the fort may have looked in the fourth century and helps to further bring to life the lives of the Picts.

STAN & OLLIE DIRECTOR TAKES CENTRE STAGE AT MAY FEST



The 2019 May Festival welcomed back Aberdeen graduate Jon S Baird who took centre stage to discuss his hit film Stan & Ollie.

The director returned to the University for a special edition of the Director's Cut series, which formed one of the highlights of a packed programme of events.

With themes including; Culture, History and Heritage, Music, the Environment, Science, Health and Wellbeing and Word the Festival once again offered something for all ages and tastes.

For the first time it also featured a May Fest Community programme which offered a wide range of events at Powis Community Centre and Tillydrone Church.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL



The University of Aberdeen is committed to the highest standards of corporate governance relevant to the higher education sector. This summary describes the manner in which the University has applied the principles set out in the 2017 Scottish Code of Good Higher Education Governance. In the opinion of Court, the University complied with the principles and provisions of the 2017 Scottish Code of Good Higher Education Governance through the year with the exception of requirement 19. In relation to this, the University Senate in October 2019 agreed to introduce limits on the number of periods of office that Senate Assessor members of Court may serve.

Constitution, Governance and Regulation

The University was established by Papal Bull on 10 February 1495 and is one of the four Scottish Ancients. The University Court of the University of Aberdeen is a body corporate with perpetual succession and a common seal. The University derives its status, powers and framework of governance from the Universities (Scotland) Acts 1858 - 1966 and by the Ordinances, made under these Acts, and Resolutions of Court. In addition, Court is subject to the requirements of the Higher Education Governance (Scotland) Act 2016. Court is the executive governing body of the University and is responsible for its mission and strategic direction, administrative arrangements, financial health, wellbeing of staff and students and, in association with the Senate, for establishing and maintaining high standards of academic conduct and probity.

The Universities (Scotland) Acts define the powers of the Court, the Senate and the General Council, each of which has clear functions and responsibilities within the governance and management of the University's business. Court is charged with the administration and management of the revenue and property of the University, and has the power to review any decision of the Senate on appeal. It is responsible for the University's system of internal control and for reviewing its effectiveness. The Senate, which consists of ex officio and elected academic staff and students, is responsible for the regulation and superintendence of teaching and student discipline and for promoting research. The General Council was established by the Universities (Scotland) Act 1858 with the right to take into consideration questions affecting the well-being and prosperity of the University. Graduates of the University and certain categories of University staff are automatically members of the General Council.

The University is an exempt charity by virtue of the Charities and Trustee Investment (Scotland) Act 2005, and is registered with the Office of the Scottish Charity Regulator under number SC013683.

The charitable aims of the University as registered with the regulator are: the advancement of Higher Education, of health, of citizenship or community development, and the advancement of the arts, heritage, culture or science.

The University is regulated principally by the Scottish Funding Council under a Financial Memorandum. The University complies with conditions of the grant set out in the funding arrangements. The Scottish Funding Council has developed Outcome Agreements with each university to ensure that institutions are working in support of the Scottish Government's priorities. The University is required to report regularly on its performance against agreed outcomes, to ensure that it continues to meet conditions of grant.

Scottish Funding Council/OSCR Review

Following the retirement of the previous Principal and Vice-Chancellor, Professor Sir Ian Diamond, the Scottish Funding Council (SFC) and the Scottish Charity Regulator (OSCR) have commenced a joint review to establish whether the terms of this retirement met the governance and value for money requirements set out by the SFC.

The review will assess the University's compliance with the SFC's terms and conditions of grant (including as set out in the institution's outcome agreement and in the Financial Memorandum). In parallel, the Office of the Scottish Charity Regulator (OSCR) is undertaking a review of whether the terms of the retirement that were agreed are consistent with the requirements of charity law.

Governing Body

In accordance with the provisions of the Universities (Scotland) Acts and the Higher Education Governance (Scotland) Act, the composition of Court is set out by Ordinance.

Court consists of 25 members and has a majority of independent members as recommended by the Scottish Code of Good HE Governance. The membership of Court is listed on page 42.

Court has adopted a Statement of Primary Responsibilities and routinely undertakes a wide-ranging review of its effectiveness against sector guidance. The Court undertook an externally facilitated review of its effectiveness in 2016/17 and implemented resulting revisions to procedures in 2017/18.

The Rector is elected by the student body and under statute is the ordinary president of Court. The current Rector has opted to exercise the right to preside. In all other respects, the Senior Governor is recognised as being responsible for

the leadership and effectiveness of Court and as such performs the wider role of Chair. Accordingly, the Senior Governor represents the University at meetings of the Committee of Scottish Chairs and internally acts as the leading Governor in matters of governance. The role of the Senior Governor in this regard is recognised by the Scottish Funding Council, and Court has adopted a Rector's Protocol to define the respective roles of Rector and Senior Governor.

During 2018/19, Mr Martin Gilbert announced his intention to retire from the role of Senior Governor. Following a recruitment process and election as required by the Higher Education Governance (Scotland) Act 2016, Ms Esther Robertson was appointed Senior Governor from 1 April 2019.

The University maintains a Register of Interests of members of Court and of members of senior management, which is available on the University's website. In addition, individuals are routinely asked to declare any interest in relation to a Court and committee agenda item and any significant change to the external commitments of the Senior Governor would be reported to the Governance and Nominations Committee.

Members of Court are invited and encouraged at regular intervals to participate in governor development events organised both internally and through organisations such as Advance HE.

Corporate Strategy

Court is responsible for approving the University's Strategic Plan and monitoring progress on the delivery of the Plan's strategic objectives. The Financial Review on pages 56 to 94 reports on the University's performance during 2018/19, and progress against strategic targets is provided on page 7.

Key Committees of the Court

Court meets at least four times each year, but much of its work is addressed in the first instance by committees, in particular, the Operating Board (since July 2019 the Policy and Resources Committee), the Audit, the Governance and Nominations, and the Remuneration committees.

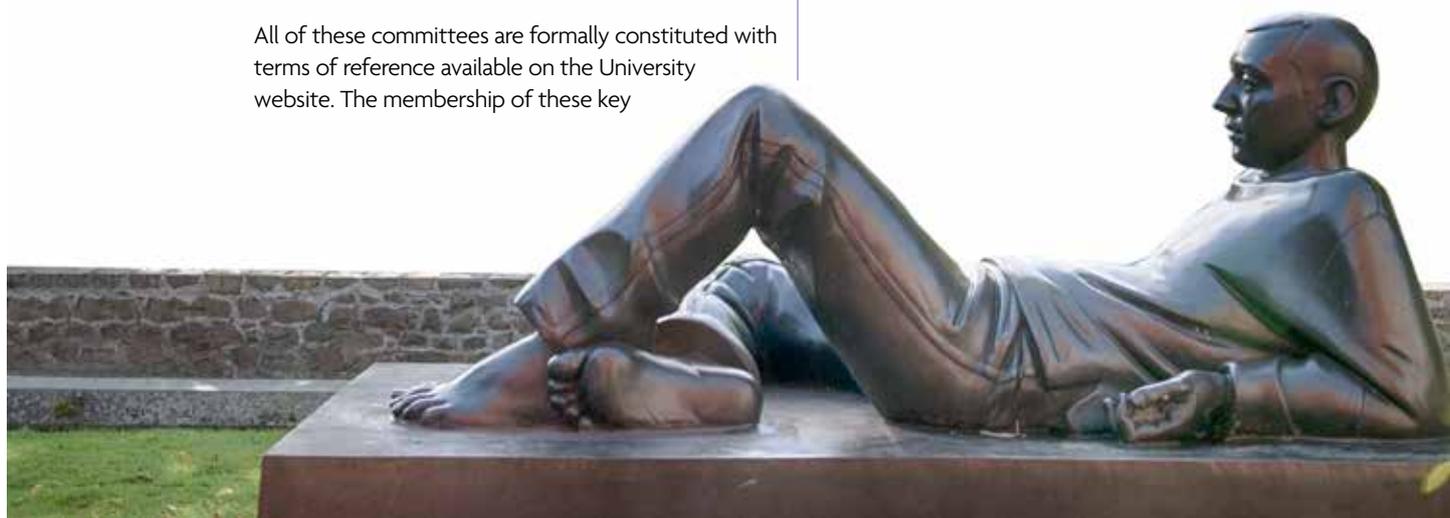
All of these committees are formally constituted with terms of reference available on the University website. The membership of these key

committees during 2018/19 is listed on page 43. Where appropriate, these committees have delegated authority from Court to take decisions on certain matters and major decisions are formally reported to Court. Similarly, when Court delegates powers to individuals to take decisions between meetings, such decisions are formally reported to Court.

In respect of its strategic responsibilities, Court receives recommendations and advice from the Policy and Resources Committee. The Committee inter alia recommends to Court the University's annual revenue and capital budgets and monitors performance in relation to the approved budgets.

The Governance and Nominations Committee has a standing role to advise Court on matters of governance and to conduct, on its behalf, reviews of the University's governance. The Committee undertakes a review of effectiveness annually through benchmarking against the Scottish Code of Good Higher Education Governance and through an annual appraisal questionnaire of governors. The Committee also has responsibility for considering nominations for vacancies in Court membership and vacancies in the membership of Court sub-committees.

The Committee has a majority of independent members. It is not chaired by the Senior Governor but by another independent member of Court, which reflects the remit and role of the Committee extending beyond that of a nominations committee into matters of governance and which in 2018/19 enabled the Chair of the Committee to undertake the role of independent intermediary described in the Scottish Code of Good HE Governance. The Committee is cognisant of the need for Court to have in its membership an appropriate mix of skills, experience and diversity. Court has adopted a Statement of Intent on Diversity within its membership, which includes a goal of 50:50 gender balance. In 2018/19, 48% of members were female and 52% male, while the appointed independent membership was also gender balanced.



The Remuneration Committee determines the remuneration and conditions of service of the most senior staff, including the Principal. The Committee has a majority of independent members but also includes two non-executive staff members of Court and the President of the Students' Association. Where appropriate, the Committee obtains further independent advice. It meets at least twice annually and reports to Court at least once a year.

The pay policy for senior staff (grade 9) is agreed by the Remuneration Committee and subsequently approved at Court. Following approval, the details of the policy are issued to all senior staff including the process for application for a salary uplift. In addition to the nationally agreed pay award, the Committee set a budget of £0.1m for 2019 discretionary pay awards. The pay policy for 2019 included consideration of awards for exceptional performance. The Remuneration Committee also took steps to address the gender pay gap for this cohort of staff reducing the gap for experienced professorial staff. All senior staff were notified of the opportunity to apply for a salary uplift based on the agreed criteria. Heads of Schools and Directorates were also asked to review remuneration for staff in their areas and to make recommendations. All applications and recommendations were considered by the Committee for approval to a maximum of the £0.1m budget. In addition, the Remuneration Committee reviews and approves the salaries for new members of the Senior Management Team, taking into consideration national benchmark information provided by UCEA (Universities & Colleges Employers Association) and also the experience demonstrated in the application/CV of the successful candidate.

Audit, Risk Management and Internal Control

The Audit Committee is chaired by an independent member of Court and has a lay membership which includes members with directly relevant experience. It meets five times a year, with the University's internal and external auditors in attendance at all meetings.

The Audit Committee oversees and reports to Court its view of the effectiveness of the University's risk management arrangements, the operation of which is overseen by the Senior Management Team (SMT) but with Risk being a regular item on the Audit Committee agenda.

The University reports to Court via SMT and Audit Committee on its risk management arrangements on a bi-annual basis in accordance with its Risk Management Framework. This includes consideration of all risks included in the Strategic Risk Register, with a particular focus on those which exceed their tolerance threshold; noting tolerance

thresholds are set to align with risk appetite ratings applied to each individual risk. Court also approves annually the University's risk appetite and the appetite score applied to each of the individual risks within the Strategic Risk Register. This process aligns with the internal control guidance for directors in the UK Corporate Code.

The Audit Committee considers detailed reports from the internal and external auditors, together with recommendations for the improvement of the University's systems of internal control and risk management, alongside University management's responses and implementation plans. The Audit Committee's role is one of high level review of the arrangements for internal control, risk management and value for money. It has authority to investigate any matters within its terms of reference. It also receives and considers reports from the Scottish Funding Council as they affect the University's business and monitors adherence to the regulatory requirements. While senior executives attend meetings of the Audit Committee, as necessary, they are not members of the Committee. The Committee regularly receives presentations on a key area of University business or developments in higher education policy or relevant legislation. In 2018/19, the Committee also welcomed colleagues from the Robert Gordon University and North-East Scotland College for a Joint Audit Committee development event which focused on the issues of Brexit and Cyber Security.

The University fully endorses the provisions of the Scottish Funding Council's Financial Memorandum.

The University retains an external firm of Internal Auditors appointed at least every five years through a competitive tendering process. The University undertook such a tendering process during 2018/19 as a result of which it reappointed its previous firm of Internal Auditors with effect from 1 August 2019, for a period of three years, with the option to renew for two further one year periods. The University Court receives, on an annual basis, a report on internal audit activity, including an independent assessment of the adequacy and effectiveness of the University's systems of internal control, including risk management and financial control. For the year to 31 July 2019, the internal audit report concluded that the University's systems were generally satisfactory with some improvements required.

The University recognises through its Policy and Procedure on Public Interest Disclosure (Whistleblowing) that the raising of legitimate concerns by staff, students, members of Court or the general public and which are in the interests of the University, its staff or students, or of the general public, is a practice which should be encouraged.



Trade Union Facility Time Reporting for the period April 2018 to March 2019

Background

The University recognises the following unions: University and College Union (UCU), Unison, Unite and Prospect.

Union representatives have a statutory right to reasonable time off for trade union duties and for trade union activities. Whilst these rights allow for a reasonable level of paid time for trade union duties, this does not extend to paid time off for trade union activities. The University has a Partnership Working and Recognition Agreement which sets out the formal framework of the partnership approach and details the arrangements for consultation and facility time. Facility time is the provision of paid or unpaid time off from an employee's normal role to undertake Trade Union duties and activities as a Trade Union representative.

Section 13 of the Trade Union Act 2016 and The Trade Union (Facility Time Publication Requirements) Regulations 2017 requires that annual data on the amount and cost of facility time within the University is detailed below:

Table 1: Trade union representatives and full-time equivalents

	2019	2018
Trade union representatives (No.)	20.0	32.0
Trade union representatives (FTE)	18.4	29.9

Table 2: Percentage of union representatives working hours spent on facility time

Percentage of Working Hours	2019	2018
0%	-	-
1 to 50%	20	32
51 to 99%	-	-
100%	-	-

Table 3: Total pay bill and facility time costs (April to March)

	2019	2018
Total pay bill	£116.1m	£115.0m
Total cost of facility time	£49,000	£52,000
% of pay bill spent on facility time	0.04%	0.05%

Table 4: Paid trade union activities

	2019	2018
Hours spent on paid facility time	1,765	1,979
Hours spent on paid TU activities		
% of total paid facility time hours spent on paid TU activities	0.00%	0.00%

Senior Officers

The Principal, who is a member of Court ex officio, has responsibility for implementing the decisions of Court, for initiating discussion and consultation on the University's future development and for ensuring that appropriate proposals are presented to the governing body and as the Designated Officer of the University under the terms of the Financial Memorandum between the University and the Scottish Funding Council, for ensuring that Court takes cognisance of the terms of the Financial Memorandum in all its decision making.

The Secretary is the principal officer of Court and is responsible for ensuring that Court acts within its powers and follows proper procedures. The Secretary provides independent advice to Court members about their individual and collective responsibilities and how they should be discharged.

Going Concern

The University's activities and the factors likely to affect its future development, performance and position are set out in the Financial Review. Its cash flows and liquidity are set out in more detail in the Notes to the Financial Statements.

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

Conclusion

Overall, Court is of the view that it has in place a robust set of governance arrangements and procedures to fulfil its responsibilities.

Esther A Robertson

Senior Governor of the University Court
10 December 2019



STATEMENT OF PRIMARY RESPONSIBILITIES OF COURT

Court adopted a Statement of Primary Responsibilities which was in operation during 2018/19. Court's primary responsibilities are:

Strategic Direction

1. To approve the mission and strategic vision of the University, including institutional and longer-term academic and business plans, and key performance indicators, and to ensure that they meet the interests of stakeholders, including students, staff, alumni, local and national communities and funding bodies.
2. To safeguard the good name and values of the University.

Supervisory Obligations

3. To delegate to the Principal, as chief executive, authority for the academic, corporate, financial, estate and human resource management of the University, and to establish and monitor such management functions as shall be undertaken by and under the authority of the Principal.
4. To ensure the quality of educational provision through the review of decisions of the Senate made under its statutory powers to regulate and superintend the teaching and discipline of the University and to promote research.

Corporate Responsibilities

5. To be the University's legal authority and, as such, to ensure that systems are in place for meeting the University's legal obligations, including those arising from contracts and other legal commitments made in the University's name.
6. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University, which is not within the control of the University of Aberdeen Development Trust.

7. To ensure that the University's constitution, as enacted in the Acts, Ordinances and Resolutions affecting the University 1858-1990 and subsequent legislation, is followed and that appropriate advice is available to enable this to happen.
8. To be the employing authority for all staff in the University.
9. To ensure that the University behaves ethically, responsibly and with respect for the environment and for society at large.

Controls, Accountability and Effectiveness

10. To be the principal financial and business authority of the University, to ensure that proper books of account are kept, to approve the annual budget and financial statements, to ensure adherence to the funding requirements specified by the Scottish Funding Council, and to have overall responsibility for the University's assets, property and estate and their use.
11. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment and management, so as to maintain the solvency of the University and safeguard its assets.
12. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the University against approved plans and key performance indicators, which should be benchmarked against other comparable institutions, wherever possible.



13. To ensure that arrangements are in place to promote the proper management of the health, safety and security of students, staff and others affected by the University.
14. To provide institutional leadership in equality and diversity and to ensure there are appropriate policies and procedures to support a culture in which all staff and students can thrive across the University and which meet relevant legislative and regulatory requirements.
15. To make provision, in consultation with the Senate, for the general welfare of students.
16. To ensure that procedures are in place for dealing with internal grievances, conflicts of interest and public interest disclosure.
17. To establish processes to monitor and evaluate the performance and effectiveness of the University Court and its sub-committees and to ensure that business is conducted in as open a manner as possible, in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
18. To ensure, through the appointment of co-opted lay persons, a balance of skills and experience amongst the membership of Court to meet its primary responsibilities.

Monitoring of Senior Executives

19. To appoint the Principal as chief executive, and to put in place suitable arrangements for monitoring his/her performance.
20. To appoint the Secretary to Court and to ensure that there is an appropriate separation in the lines of accountability between responsibilities to Court and managerial responsibilities within the University.

Responsibility for financial matters

Court is responsible for keeping proper accounting records, which disclose, with reasonable accuracy, the financial position of the University at any time and enable it to ensure that the financial statements are prepared in accordance with the Statutes, the 2019 Statement of Recommended Practice (SORP): Accounting for Further and Higher Education and other relevant accounting standards, including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland. In addition, within the terms and conditions of a Financial Memorandum agreed between the Scottish Funding Council and the Court of the University of Aberdeen, Court, through its designated office holder, is required to prepare financial statements for each financial year which

give a true and fair view of the state of affairs of the University and of the surplus or deficit, total comprehensive income and expenditure and cash flows for that year.

When preparing the Group and parent University financial statements, Court is required to:

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

Court is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material mis-statement, whether due to fraud or error.

Court has taken reasonable steps to:

- ensure that funds from the Scottish Funding Council are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Scottish Funding Council and any other conditions which the Scottish Funding Council may from time to time prescribe;
- ensure that any other funds, from whatever source, administered by the Group or the University for specific purposes, have been properly applied to those purposes in accordance with relevant legislation and any other terms and conditions attached to them;
- 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 hence take reasonable steps to prevent and detect fraud; and
- secure the economical, efficient and effective management of the University's resources and expenditure.

MEMBERSHIP OF COURT AND KEY COMMITTEES





Professor George Boyne

Principal (ex officio)
Member since August 2018

Professor George Boyne became Principal and Vice-Chancellor of the University of Aberdeen on 1 August 2018.

Professor Boyne has spent the majority of his academic career in Wales. He was Pro Vice-Chancellor, Head of the College of Arts, Humanities and Social Sciences and a member of the University Executive Board at Cardiff University since 2012.

He was previously Dean of Cardiff University's Business School, and is a world-leading expert on the performance of public sector organisations. Professor Boyne has been a Fellow of the Academy of Social Sciences since 2010.



Esther Robertson

Senior Governor
Member since April 2019

Esther Robertson has an extensive track record of senior non-executive leadership roles in Scotland, with appointments including Chair of NHS 24, NHS Fife, the Scottish Further Education Funding Council and SACRO, the community justice charity. Other senior non-executive roles include the Scottish Government and the Scottish Council for Development and Industry. Esther was also previously a member of the Court of the University of Dundee.

In 2018, Esther completed an independent review of the regulation of legal services and her report, *Fit for the Future*, is currently being considered by the Scottish Government. She was actively involved in the campaign to secure Scotland's Parliament as Co-ordinator of the Scottish Constitutional Convention, and as a member of the Consultative Steering Group that developed the standing orders for the Parliament.



Maggie Chapman

Rector
Member since January 2015

Maggie is the Convener of the Scottish Independence Convention and a strategy and communications consultant. She was Co-convener of the Scottish Green Party for several years, and is a former Edinburgh Councillor.

Born and brought up in Zimbabwe, she moved to Scotland to study Zoology at Edinburgh University. She taught at Edinburgh Napier University and has worked in the third sector in disabled rights, equalities, and human rights.



Eleanor Bentley

Independent Member
Member since September 2019

Eleanor is a Chartered Accountant and a graduate of the University of Aberdeen. She is an experienced Finance Director with extensive experience of corporate governance, risk and financial management in international public companies, having held a number of senior positions with both operators and service companies in the oil and gas sector.

Eleanor is a Council Member of the Institute of Chartered Accountants of Scotland and is a member of their Nominations Committee. She is a Patron of the Scottish Ballet and a former Board member of The Foyer, a social enterprise in the North East of Scotland.



Professor Nuala Booth

Independent Member
Member since October 2014

Nuala is a former member of staff in the College of Life Sciences and Medicine, where she held a personal chair in Molecular Thrombosis prior to her retirement in 2010. She made significant contributions to research and teaching during her career of 35 years at the University. She continues her interest in research on degradation of blood clots, which is relevant to the diseases of thrombosis.



Colin Duncan

Independent Member
Member since May 2012

After graduating from Aberdeen University in 1969, Colin joined Marks & Spencer, spending the next 30 years in senior management. After becoming a high growth business mentor with Scottish Enterprise, he ran his own business consultancy. As a former non-executive member of NHS Ayrshire & Arran, and as a member of the Accounts Commission for Scotland he gained considerable experience in chairing governance, remuneration, audit, HR, and appeals committees.

Joining the University Business Committee of the General Council in 2006, Colin was elected Convener from 2010 – 2014. He graduated with an Hons BSc in International Studies from the Open University.



Jenny Fernandes

Elected Non-Academic Staff Member
Member since September 2017

Jenny is an alumna of the University of Aberdeen and has worked as Head of its International Office for the past 14 years. Prior to that she worked at the University of Glasgow and Queen Margaret University. She studied in the United States and worked as a teacher in Japan. Between 2006 and 2010 she acted as Vice Chair and subsequently Chair of the Scottish Universities International Group, and in 2018 joined the Executive Board of BUILA (British Universities International Liaison Association).



Dariya Koleva

AUSA Nominated Student Member
Member since July 2019

Dariya is the Education Officer at the Aberdeen University Students' Association. She represents the student body on all matters related to academic experience, teaching and learning. She is a member of University Court and Senate and sits on various University appointed committees, where she speaks on behalf of the students and makes sure their views are taken into account by the University.

Dariya graduated with a Master of Arts in Politics and International Relations from the University of Aberdeen in 2019.



Gary McRae

Independent Member
Member since October 2019

Gary is a graduate of the University and of the University of Bath. He trained in Aberdeen as a Chartered Accountant before a career in industry in which he has held senior positions in Strategy and Corporate Finance/Development at Dowty PLC, British Aerospace Defence and then Laird PLC, where he created Laird Technologies which grew globally to revenues in excess of £1 billion. Since retiring from Laird PLC, Gary has undertaken a number of non-executive Director roles and is currently the Senior Independent Director/Deputy Chair at Hampshire Hospitals FT and non-executive Director at SAS International and at the William Harvey Research Foundation.



David MacFarlane
Independent Member
Member since August 2012

David is a retired chartered accountant with more than 35 years' experience in financial management and as a director in the oil and gas sector. Most recently, he was finance director of Dana Petroleum. Subsequent to the takeover of Dana in 2010, he developed a career as a non-executive director working with a portfolio of companies, both listed and private.



Iain Mackay
Independent Member
Member since October 2017

Iain became Chief Financial Officer of GlaxoSmithKline plc (GSK) on 1 April 2019. He is an Executive Director of the GSK Board and a member of the Corporate Executive Team. Prior to joining GSK, Iain was Group Finance Director of HSBC Holdings plc, and before that he served as Chief Financial Officer of HSBC North America Holdings Inc. and Chief Financial Officer (Asia-Pacific) of HSBC Holdings plc. An alumnus of the University (MA) and an Honorary Graduate, Iain is currently Chairman of the Audit and Risk committee of the British Heart Foundation and a member of the Board of Trustees.



Dr Martin Mills
Elected Academic Staff Member
Member since September 2017

Martin is Senior Lecturer in Anthropology at the University of Aberdeen, and the academic staff representative to Court. He served as an elected member of Senate for fourteen years in both the Schools of Social Science and Divinity, History and Philosophy. He is a research active specialist on Tibetan and Chinese political and religious affairs. Martin has worked at Aberdeen University since 2000, having previously worked at the Universities of Edinburgh, St Andrews and Sussex.



Lyndsay Menzies
Independent Member
Member since October 2017

Lyndsay is CEO of Eight Million Stories, an award winning content and digital marketing agency. Prior to founding 8MS she was CEO of bigmouthmedia, which merged with LBi to be acquired by Publicis Groupe in 2012. Credited with the operational excellence at the agency for 13 years, she was an integral part of its phenomenal growth. Winner of numerous awards, Lyndsay has led some of the largest global digital campaigns for brands such as IKEA, Hilton Corporation and British Airways.



Anne Minto OBE
Independent Member
Member since August 2015

Anne is a lawyer and has worked in a number of global senior roles in the engineering, oil and gas industries, and latterly served on the Centrica plc Executive Committee as the Group Human Resources Director from 2002 until 2011.

She is currently a non-executive director on the boards of Tate and Lyle plc and EXL Services Holdings Inc. Previously she served on the boards of Shire plc and Northumbrian Water Group plc. Anne is Chair of the University's Policy and Resources Committee and also the University of Aberdeen Development Trust. She was awarded an OBE in 2000 for services to the engineering industry.



Professor Joachim Schaper
Senate Assessor
Member since October 2017

Joachim studied Theology, Philosophy and Assyriology at the University of Tübingen and Theology at the University of Cambridge. He was a Research Fellow at Clare College, University of Cambridge and taught as a Privatdozent in Old Testament at the University of Tübingen from 1999 to 2005. In 2005 he joined the University as a Reader in Old Testament, was appointed to a Personal Chair in 2006, and translated to the Chair of Hebrew and Semitic Languages in 2012.



Iain Percival
Independent Member
Member since October 2016

Iain graduated from the University of Aberdeen with a BSc (Hons) in Geology. He joined Royal Dutch Shell Petroleum in 1973 and spent 34 years working for the company in a number of positions across the world, ending his career as the global Chief Petroleum Engineer. During this time he also graduated from Heriot - Watt University with a Masters in Engineering and from Brunel University with a MBA. Iain played a key role in creating a campus ambassador programme between the University and Shell, and in establishing a new petroleum engineering undergraduate degree. In 2012 he was named an honorary professor in the Schools of Geoscience and Engineering.



Brian Paterson
Trade Union Nominated Member
(Non-Academic Staff)
Member since August 2011

Brian has been a member of the technical staff in the Department of Chemistry since 1992 performing teaching and research support duties, as well as completing a secondment with Business Improvement for a period of three years. Brian has also been a trade union representative since 1999 and previously served as a nominated Trustee to the University of Aberdeen Superannuation and Life Assurance Scheme (UASLAS).



Jenny Shirreffs MBE
Independent Member
Member since October 2012

Jenny is a prominent volunteer and contributor to the charitable sector in Aberdeen. Jenny's voluntary service to the community was recognised with the MBE in 2009. She is a Burgess of the City of Aberdeen, a Commander of the Order of St John, a Deputy Lieutenant of the City of Aberdeen, and Past President of the Rotary Club of Aberdeen St Machar, a Founder Director of Aberdeen Performing Arts, as well as being involved in many other arts and charitable organisations.



David Steyn
Senior Independent Member
Member since August 2011

David is a partner at Cervino Partners Limited and a director of Good Growth Limited. His involvement with the University started when he joined the board of the University of Aberdeen USA Development Trust whilst based in New York with AllianceBernstein, where he was Chief Operating Officer. David is a life patron of the National Portrait Gallery.



Lindsay Tibbetts
Senate Assessor
Member since October 2019

Lindsay Tibbetts is a Fellow of the Institute of Chartered Accountants in England and Wales (FCA) and was appointed Deputy Dean of the University of Aberdeen Business School from August 2018. Prior to this she was programme leader for the undergraduate Accountancy and Accountancy and Finance programmes, programme accreditation lead and leader of the business school induction event. She obtained her first degree in Modern Studies from Coventry (Lanchester) Polytechnic, before training as a Chartered Accountant and later obtaining an MBA from the University of Birmingham. Having qualified as a Chartered Accountant in practice she moved into a series of European internal audit roles.



Dr David Watts
Trade Union Nominated Member
(Academic Staff)
Member since August 2017

David is a social scientist and historian. He joined the University in 2007 and is based in the Rowett Institute. David has long been active in the Aberdeen branch of the University and College Union, taking a particular interest in the Universities Superannuation Scheme. In 2017 he was elected as the first academic trade union nominee on Court. His research interests include: food insecurity; networking among food and drink enterprises; food consumption practices; the histories of cooperation and nutrition. He is an elected member of Senatus Academicus. David previously worked at Bristol and Coventry universities and at Scotland's Rural College.



Professor Neil Vargesson

Senate Assessor
Member since October 2019

Neil is Professor in Developmental Biology at the University of Aberdeen and was a member of Senate 2008-2013 representing the School of Medical Sciences and again since 2016 representing the School of Medicine, Medical Sciences and Nutrition. Neil is a Fellow of the Higher Education Academy and teaches both Undergraduate and Postgraduate taught students and is Degree Programme Coordinator for Developmental Biology courses. His research is focused on understanding how birth defects come about, specifically those caused by medicines, such as thalidomide, as well as drug safety and he has advised national and international Governments and Agencies regarding his research.



Cecilia Wallback

Student President
Member since July 2019

Cecilia represents the student body as Student President at the Aberdeen University Students' Association (AUSA) and a Chair of the AUSA Trustee Board. She sits on the Student Council, as well as on several University appointed committees, including Court and Senate, representing the views of students to the University. Cecilia also sits on the Rocking Horse Nursery Trustee Board.

Cecilia graduated with a Master of Arts in Psychology from the University of Aberdeen in 2019.



UNIVERSITY COURT MEMBERSHIP:**Rector**

Ms M Chapman

Principal

Professor G Boyne (from 01.08.18)

Chancellor's Assessor & Senior Governor

Mr M Gilbert (to 31.03.19)

Senior Governor

Ms E Robertson (from 01.04.19)

Assessors: Senatus

Professor M Delibegovic (to 31.10.19)

Dr N Oren (to 30.09.19)

Professor J Schaper

Dr R Shanks (to 30.09.19)

Mrs L Tibbetts (from 01.10.19)

Professor N Vargesson (from 01.10.19)

Elected Academic Staff Member

Dr M Mills

Elected Non-Academic Staff Member

Mrs J Fernandes

Academic Trade Union Nominee

Dr D Watts

Non-Academic Trade Union Nominee

Mr B Paterson

President, Students' Association

Mr L Ogubie (to 30.06.19)

Ms C Wallback (from 01.07.19)

Second Students' Association Nominee

Mrs D Connelly (to 30.06.19)

Ms D Koleva (from 01.07.19)

Independent Members

Ms E Bentley (from 01.08.19)

Professor N Booth

Mr C Duncan

Mr J Hall (to 30.09.19)**

Ms L Jack (to 31.10.19)

Mr D MacFarlane

Mr I Mackay

Mrs K McPhail (to 31.07.19)

Mr G McRae (from 01.10.19)

Ms L Menzies

Ms A Minto

Mr I Percival

Mrs J Shirreffs

Mr D Steyn***

As at date of signing there was a vacancy for a Senate Assessor and for an Independent Member of Court.

* As alternate to the Principal when not available

** Senior Independent Member to 02.07.19

*** Senior Independent Member from 03.07.19

POLICY & RESOURCES COMMITTEE MEMBERSHIP

(from 2 July 2019, formerly the Operating Board)

Ms A Minto (Chair)

Mr J Hall (to 30.09.19)

Professor N Booth

Professor G Boyne (from 01.08.18)

Professor M Delibegovic (to 31.10.19)

Professor P Hannaford (to 28.02.19)

Mrs C Inglis (to 31.10.19)

Professor K Leydecker (from 1.03.19)

Mr D MacFarlane (in attendance from 13.09.18 and a member from 01.01.19 to 31.07.19)

Ms L Menzies

Mr L Ogubie (to 30.06.19)

Mr B Paterson (As alternate to Dr Watts)

Dr R Shanks (to 30.09.19)

Ms C Wallback (from 1.07.19)

Dr D Watts

REMUNERATION COMMITTEE MEMBERSHIP:

Mr D Steyn (Chair)

Mr C Duncan

Mr M Gilbert (to 31.03.19)

Mr I Mackay (from 01.10.19)

Mrs K McPhail (to 31.07.19)

Mr L Ogubie (to 30.06.19)

Mr B Paterson

Mr I Percival

Ms E Robertson (from 01.04.19)

Dr R Shanks (to 30.09.19)

Mrs L Tibbetts (from 01.10.19)

Ms C Wallback (from 01.07.19)

GOVERNANCE AND NOMINATIONS COMMITTEE MEMBERSHIP:

Mr J Hall (Chair to 30.09.19 except for meetings of 12.11.18 and 22.11.18)

Mr C Duncan (Chair from 01.10.19)

Professor G Boyne (from 01.08.18)

Mrs J Fernandes (alternate to Dr Mills to 22.11.18 and member from 23.11.18)

Mr M Gilbert (to 31.03.19)

Professor P Hannaford* (to 28.02.19)

Professor K Leydecker* (from 01.03.19)

Ms L Jack (to 31.10.19)

Mr I Mackay

Mrs K McPhail (for meetings of 12.11.18 and 22.11.18 only)

Dr M Mills (to 22.11.18 and as alternate to

Mrs Fernandes from 23.11.18)

Mr L Ogubie (to 30.06.19)

Ms E Robertson (from 01.04.19)

Professor J Schaper

Mrs J Shirreffs

Mr D Steyn (Chair for meetings of 12.11.18 and 22.11.18)

Ms C Wallback (from 01.07.19)

AUDIT COMMITTEE MEMBERSHIP:

Mr D MacFarlane (Chair)

Ms E Bentley (from 10.09.19)

Ms L MacFarlan

Mrs M McNeill

Mr P Milne



ATTENDANCE OF COURT AND COMMITTEE MEMBERS AT UNIVERSITY COURT AND COMMITTEE MEETINGS FOR THE YEAR TO 31 JULY 2019

Member	University Court (5 in year)	Audit Committee (5 in year)	Operating Board, now Policy & Resources Committee (7 in year)	Remuneration Committee (2 in year)	Governance and Nominations Committee (4 in year)
Ms M Chapman	5 of 5				
Professor G Boyne	5 of 5		6 of 7		4 of 4
Ms E Robertson	1 of 1			1 of 1	1 of 1
Mr Martin Gilbert	1 of 4			3 of 4	0 of 3
Professor M Delibegovic	4 of 5		5 of 7		
Dr N Oren	5 of 5				
Dr R Shanks	5 of 5		3 of 7	4 of 5	
Professor J Schaper	5 of 5				4 of 4
Dr M Mills	4 of 5				2 of 3
Mrs J Fernandes	5 of 5				2 of 3
Dr D Watts	5 of 5		7 of 7		
Mr B Paterson	4 of 5			4 of 5	
Mr L Ogubie	2 of 4		7 of 7	3 of 4	4 of 4
Mrs D Connelly	4 of 4				
Ms C Wallback	1 of 1			1 of 1	
Ms D Koleva	1 of 1				
Professor N Booth	4 of 5		6 of 7		
Mr C Duncan	5 of 5			5 of 5	
Mr J Hall	4 of 5		5 of 7		2 of 3
Ms L Jack	4 of 5				2 of 4
Mr D MacFarlane	5 of 5	4 of 5	5 of 6		
Mr I Mackay	4 of 5				0 of 4
Ms K McPhail	4 of 5			5 of 5	1 of 2
Ms L Menzies	3 of 5		5 of 7		
Mrs A Minto	5 of 5		7 of 7		
Mr I Percival	5 of 5			4 of 5	
Mrs J Shirreffs	5 of 5				2 of 4
Mr D Steyn	5 of 5		1 of 1	5 of 5	2 of 2
Ms L Macfarlan		4 of 5			
Mrs M McNeill		5 of 5			
Mr P Milne		5 of 5			





RISK MANAGEMENT



RISK MANAGEMENT

Why Risk Management?

There is recognition that in an increasingly complex, challenging and competitive environment the University will inevitably undertake a range of activities which incur varying levels of risk. The way in which these risks are managed, through an effective risk management function, will be fundamental to the University's success over the period; effective risk management will reduce the likelihood that risks are realised, and reduce their impact on the University.

Risk Management at Aberdeen

The management of risk at the University is undertaken as part of the institution's Risk Management Framework, which is based on internationally recognised standards in risk management, widely accepted as best practice. The Risk Management Framework forms part of a wider institutional corporate governance structure and includes an institutional risk management policy, a University statement on risk appetite, along with risk appetite ratings for individual risks.

It also includes a detailed risk management process which prescribes methods for risk identification, monitoring and control, and arrangements for assurance. The Framework applies to Schools, Professional Services and capital projects, where it is a key tool used as part of the University's Project Management Methodology.

As part of the ongoing process to develop a new University strategy to 2040, the University will be undertaking a detailed review of the Risk Management Framework over the coming year to ensure that, in particular, all risks identified at a strategic level remain relevant, and that both threats and opportunities arising from the new strategy are identified, documented, understood, monitored and managed.

Strategic Risks

As part of its Risk Management Framework, the University has in place a Strategic Risk Register, designed to underpin areas of strategic importance, and to facilitate delivery of linked objectives at institutional level, based on the University's current Strategic Plan (2015-20). In its present form, it is comprised of 10 key risk areas, though with the pending review of risk management arrangements, the strategic risks currently in place will also be re-considered to ensure they align with future strategic objectives. A short description of the 10 key risk areas as they stand now, along with a summary of the management arrangements in place for each one, is given in the table overleaf:

Strategic Risks
and Risk
Appetite



STRATEGIC RISK AREA	RISK DESCRIPTION	RISK MANAGEMENT	STRATEGIC THEME
Equality and Diversity	Equality and diversity are fundamental to the University's approach to people. Activities in this area carry significant reputational benefits and are key to ensuring compliance.	Risks linked to E&D fall under the remit of the Senior Vice-Principal and are managed via dedicated units within the University's Directorate of People, which includes Human Resources, Student Support and Student Experience functions.	People; Research; T&L
Financial Sustainability	Failure to achieve targets linked to financial sustainability will impair the University in its ability to meet its strategic objectives across all areas.	Financial control is exercised via the University Court, informed by its Policy and Resources Committee, Audit Committee and Senior Management Team. Financial Planning is also a key component within the wider strategic planning function.	People; Research; T&L
Governance and Core Business Risks	Compliance with different legislative and regulatory bodies underpins a number of core business areas, including financial sustainability, infrastructure sustainability, internationalisation, research performance and student recruitment.	The University engages regularly and constructively with the sector via Universities Scotland and UK. It also engages the Scottish Funding Council, Scottish and UK Governments, and affiliated bodies like the Home Office to ensure it is kept abreast of, understands and responds to changes in policy, regulation and legislation.	People; Research; T&L
Health and Safety	Failure to foster a culture which places health and safety at the core of our activities will undermine the staff and student experience and may have adverse reputational impacts.	The health and safety of staff and students is at the forefront of every initiative the University undertakes, from simple business-as-usual activities each day, to major activities abroad. The University has recently approved further investment to expand its Health and Safety team, with additional emphasis placed on wellbeing.	People
Infrastructure Sustainability	The quality of the physical estate and the linked IT infrastructure is key to the University's brand and image, to staff and student recruitment and to the wellbeing of our staff and students.	The quality of the University's physical and digital environments is proactively managed via the Capital Programme Management Committee and the Digital Strategy Committee, which both report to Court via Policy and Resources Committee. The University is currently investing over £80million in the modernisation of the estate, with transformative projects planned for science-based teaching, the Business School and modernisation of the historic core.	People; Research; T&L
Internationalisation	This risk spans international market position, student recruitment, partnerships, research collaborations and TNE projects. Failure to achieve objectives across these areas will potentially affect financial sustainability and the University's ability to compete long term.	The University is working to strengthen its international position, with particular focus on international recruitment, international partnerships and student mobility. It is working to ensure it continues to support its market position in established markets, while working to explore new opportunities both in existing and new markets. Growth focuses on both increased recruitment to Aberdeen and overseas campuses supported by ongoing development of both new online PGT programmes and a wider alignment of the PGT portfolio to market opportunity.	People; Research; T&L
Research Performance and Impact	Poor performance in areas like research income generation and the Research Excellence Framework (REF2021) will have adverse financial and reputational impacts, and may affect both staff and student recruitment and retention.	Academic recruitment strategies aim to support research excellence. Research performance and the associated risks are managed via the Vice-Principal for Research, and in turn, via the Research Policy Committee. This committee has institutional responsibility for shaping research strategy and providing oversight for REF2021 preparations.	Research
Staff Recruitment and Retention	The ability to attract and retain excellent staff is imperative to achieving high quality performance across key areas like research, teaching and learning, and the student experience.	The University promotes itself as an attractive destination for scholars, both at home and internationally. It is currently running a major global recruitment campaign aimed at attracting excellent academic staff to Aberdeen.	People; Research; T&L
Student Experience	Failure to deliver a high-quality student experience will affect the University's reputation and its ability to successfully attract and retain a high-quality student base.	An excellent student experience is fundamental to institutional success and is overseen by a dedicated Student Experience Committee, led by the Vice-Principal for Education. Investment in student-facing infrastructure, both physical and digital, is an ongoing priority, as are efforts to enhance retention of students through comprehensive support structures across the University.	People; T&L
Student Recruitment	Failure to attract and retain target student numbers across all areas will carry significant financial and reputational risks.	The University seeks to grow student numbers through diverse activities, by widening access, increased international recruitment, online delivery and by offering different modes of study. The impact that Brexit will have on student recruitment is being monitored closely and mitigating strategies have been put in place.	T&L

These risks are not exhaustive; the University also takes account of risks arising from major developments across the sector which transcend different risk areas. In particular, at the current time, this includes threats inherent to the University which are likely to emerge from the UK's changing relationship with the EU as a consequence of Brexit, risks to cyber security and threats relating to the funding environment, which have the potential to adversely affect both education and research performance. The University will embrace opportunities where the strategic benefits are considered to outweigh

the relative risks; for example, major campus investments, partnership arrangements, or in pursuing different overseas initiatives under TNE.

Risk Appetite

The University's appetite for accepting risk will change depending on the risk area under consideration and the specific objectives involved. Consequently, risk appetite ratings are applied to each of the 10 risk areas currently in place to reflect the University's varying attitude to risk across different contexts, as below.

Risk Appetite Matrix

STRATEGIC RISK AREA	AVOID	AVERSE	MODERATE	OPEN	HIGH
Equality and Diversity					
Financial Sustainability					
Governance and Core Business					
Health and Safety					
Infrastructure Sustainability					
Internationalisation					
Research Performance and Impact					
Staff Recruitment and Retention					
Student Experience					
Student Recruitment					



Based on these appetite ratings, the University will generally seek to avoid any activity that poses a significant threat to: organisational financial sustainability; the health, safety and wellbeing of its staff and students; and its ability to meet all regulatory and legislative requirements, required by bodies like the SFC. However, the University will be more open to accepting higher levels of risk where there are opportunities under key areas of strategic importance, for example: student recruitment, research performance and the wider student experience. Taking account of these varying risk appetite ratings across the collective, the University therefore defines its appetite for risk in general terms as moderate to open, while accepting that appetite will change according to context.



FINANCIAL
REVIEW
Year ended 31 July 2019

FINANCIAL REVIEW

Scope of the Financial Statements

The Financial Statements, which have been approved by the Court, have been prepared on a consolidated basis and represent the consolidated results of the University and its subsidiary, the Rowett Research Institute Ltd. The statements comply with Financial Reporting Standard (FRS) 102 and the Statement of Account Practice (SORP) Accounting for Further and Higher Education 2015.

Financial Performance

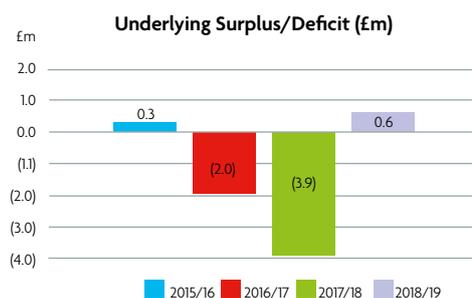
The Group's reported results for the year are:

	2019	2018
	£000	£000
Income	228,494	219,471
Expenditure before pension provision movements	(228,856)	(225,602)
Pension provision movements	(43,795)	(1,347)
Total expenditure	(272,651)	(226,949)
(Deficit) before other gains and losses	(44,157)	(7,478)
Other (losses)/gains	(501)	3,791
Actuarial (loss)/gain in respect of pension schemes	(9,407)	13,417
Comprehensive (loss)/income for the year	(54,065)	9,730

Our financial management emphasis is on the underlying results that exclude non-controllable and other individually significant items such as the movement of the value of investments and pension deficits. The underlying surplus for the year to 31 July 2019 is £0.6m compared with a underlying £3.9m deficit for the prior year as follows:

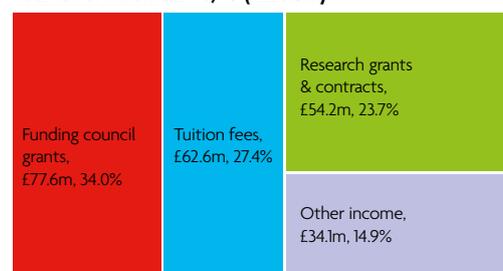
	2019	2018
	£000	£000
(Deficit) before other gains and losses	(44,157)	(7,478)
Voluntary severance and early retirement schemes	135	509
Provisions for onerous contracts and pre-establishment costs	922	1,130
Impairments	119	2,166
Changes in tuition fee assumptions	-	(1,052)
Pension provision movements* (Note 21a)	43,595	847
Underlying surplus/(deficit)	614	(3,878)

* Pension provision movements consist of staff costs of £42.6m (2018: credit of £0.1m), interest costs £0.9m (2018: £1.1m), operating costs of £0.3m (2018: £0.3m) and income of £0.2m (2018: £0.5m)



Our underlying surplus is representative of our improving financial position, however there are a number of challenges that Aberdeen, and the sector in general currently face. The expected continuation of real term cuts to government funding, increased competition within overseas markets, additional costs such as the increases to the Universities Superannuation Scheme (USS) pension contributions and the continuing uncertainty surrounding Brexit all contribute to the pressures the University is facing. We are actively managing our finances to ensure that we remain in a sustainable position. Effective management of our finances, along with £60m of additional borrowing secured via a private placement during 2018/19, will ensure that cash reserves are sufficient to meet the University's ambitious investment programme, whilst maintaining sufficient funds for operating activities.

Sources of Income 2018/19 (£228.5m)



Income for the year has increased by £9.0m to £228.5m.

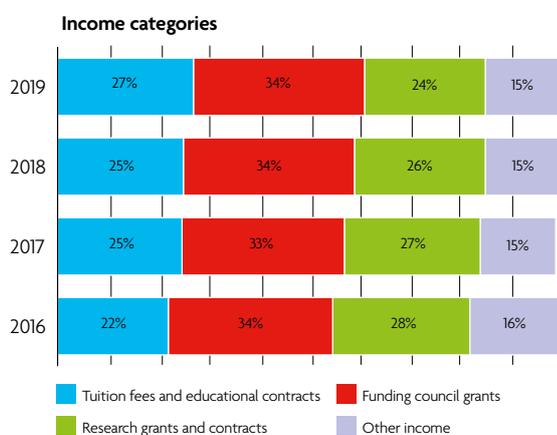
Funding Body grants have increased by £2.9m to £77.6m, which is mostly attributable to an increase in funding for teaching of 2.1% (£0.9m) and 2.9% (£0.7m) for research funding. Other strategic funding streams have increased by £0.5m (23.2%).

Tuition fees have increased by 12.1% to £62.6m with Scottish & EU fees increasing by £0.5m to £19.8m, or 2.7% from 2017/18. The other main changes are that Rest of UK fees decreased by £0.4m to £8.6m and Non-EU fees increased by £6.2m or 23.9% to £32.0m in the year to 31 July 2019. Non-credit bearing course income increased by £0.6m or 47.3% due to a considerable uplift to student

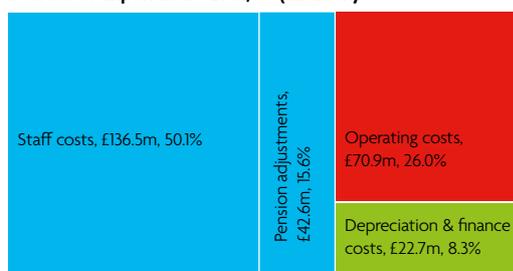
numbers on our 2018 Summer School operated by the Language Centre.

Research grants and contracts income of £54.2m decreased by £1.9m (3.3%) from £56.1m in the previous year. The decrease is mainly attributable to a £1.4m fall in Research Council income, and a £1.3m reduction in EU government research grant income.

Other income increased by £1.2m to £34.1m with a £0.8m increase in Student residences income. Investment income has increased by £0.7m as a result of higher cash and investment balances as well as improved endowment portfolio returns.



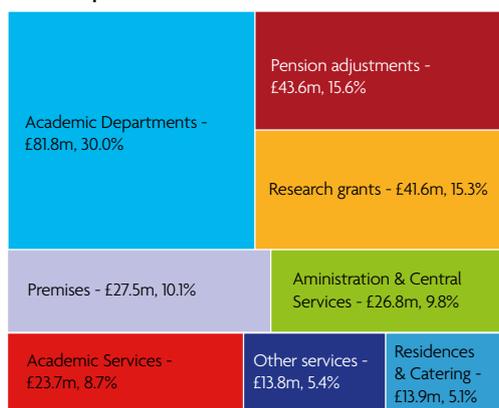
Sources of Expenditure 2018/19 (£272.7m)



Total expenditure increased by £45.7m or 20.1% to £272.7m.

Staff costs of £179.1m have increased by £43.1m (31.7%), with the increase resulting from movements in pension provisions. The Universities Superannuation Scheme (USS) 2017 valuation exercise resulted in a non-cash charge of £41.3m to staff costs with a further £1.3m in respect of our other pension schemes. Staff costs, excluding pension liability movements of £136.5m were approximately £0.5m higher than in the previous year. Other expenditure of £70.9m increased by £2.3m or 3.4% during the year. Costs include a provision of £0.3m for the repayment of pre-establishment costs in respect of an overseas campus and £0.8m in respect of third-party student accommodation contracts.

How we spend our resources



Other Gains and Losses

Our non-current investment portfolios appreciated by £1.4m during the year, mainly due to the continued strong performance of our endowment and pension portfolios (£2.5m), whilst the value of the holdings in our spin-out companies fell slightly.

The continued downturn in the Aberdeen housing market has resulted in a further £1.6m (2018: £0.9m) reduction in the value of our investment properties. Surplus investment properties were sold during the year resulting in a small gain of £0.1m.

Actuarial Loss in Respect of Pension Schemes

The majority of the £9.4m loss is attributed to the University of Aberdeen Superannuation and Life Assurance Scheme. Overall the scheme deficit increased by £11.3m to £22.1m.

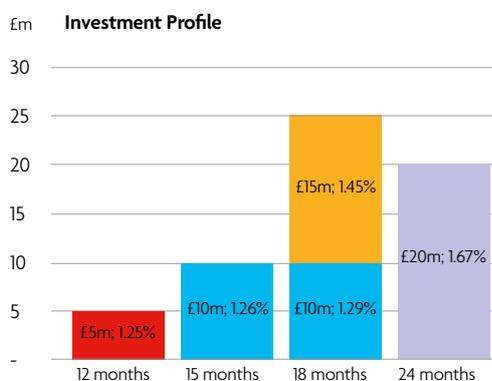
Treasury Management

Borrowing

Taking advantage of prevailing low interest rates, the University secured and received £60m of borrowing from a successful private placement which was completed in May 2019. The funds were secured at a blended interest rate of 3.12% and are repayable in three equal instalments in 2044, 2049 and 2054. In addition to the private placement the University has a £40m loan facility with Barclays Bank Plc, which has been fully drawn down and has been used to fund our capital investment. Repayments are due in four instalments of £10.0m, in September 2021, 2026, 2031 and 2036 respectively with the first repayment being funded from the private placement.

As part of the governance exercise undertaken around the private placement, Court approved internal covenant targets and finance reporting requirements that have been embedded within our Financial Regulations. This requires the University to set aside funds for repayment of the Barclays facility initially, and once this is repaid, to set

aside funds to repay the private placement. The University must also comply with external debt service cover and gearing covenants; all internal and external tests were satisfied as at 31 July 2019.



Financed from the private placement, plans for the regeneration of our historic King's Campus in Old Aberdeen are underway. As the funds will not be required immediately, these have been invested in longer term deposits accounts with UK banks in order to offset some of the additional borrowing charges, prior to income derived from the new developments contributing towards the interest and repayment costs.

The University has previously entered into finance leases for halls of residence, with £26.2m outstanding for an agreement expiring in 2037. In October 2018, the final payment of £2.1m was made on another lease for student residences.

Cash Flow

Operating activities generated a cash inflow of £16.2m (2018: £17.3m). After taking account of capital expenditure, investment income and borrowing costs, the overall Group cash inflow was £4.3m, which is in line with the previous year.

Payment of Creditors

The University has no single policy for payment of creditors but abides by arrangements negotiated with its suppliers. No interest was paid in the year under the Late Payments of Commercial Debts (Interest) Act.

Non-Current Assets

The value of non-current assets increased by £49.4m to £654.5m during the year. The increase is due to the placement of £55.0m in longer term deposits as part of the investment of the private placement funds received during the year. With the University in a planning phase for the next round of capital investment, additions of £13.3m have been offset by depreciation charges of £18.8m and the reduction in value of investment properties of £2.3m. Work has begun on the

Group Balance Sheet as at 31 July 2019

Assets		Liabilities		Reserves	
Buildings & equipment etc - £528.1m	Cash & deposits - £95.7m	Loans & leases - £125.6m	Deferred grants - £98.7m	Unrestricted reserves - £283.7m	
	Investments - £71.4m	Provisions - £96.8m	Creditors - £58.3m	Endowments - £52m	
	Other - £19.9m				

Science Teaching Hub and the University continues to invest in its digital infrastructure. Non-current investments, excluding the private placement funds, have increased by £2.7m due to the continued strong market performance.

As at 31 July 2019, the Group had net current liabilities of £3.2m compared with £12.3m as at 31 July 2018. This improvement is in part due to £5m of private placement funds being invested in short term deposits. Debtors include £2.0m in respect of the sale of land in July 2018. As with many research-intensive universities, prepaid income for research grants of £18.5m (2017: £18.0m) is a main element of our creditors falling due within one year. Creditors falling due within one year also include capital grants to be released of £4.0m and an accrual in respect of untaken annual leave of £4.8m.

Creditors: Amounts Falling Due After More Than One Year

Long term creditors have increased by £58.6m to £218.9m during the year reflecting the increase in borrowing. The creditors comprise of borrowing (£100.0m) and finance lease obligations (£24.2m) as well as £94.6m of deferred income in respect of capital grants from government organisations.

Provisions & Pension Schemes

Pension provisions have increased by £53.0m to £94.7m during the year. The provisions cover the discounted fair value of the contractual contributions of £69.4m (2018: £27.5m) for the Universities Superannuation Scheme (USS), and a further £22.1m (2018: £10.8m) in respect of the University of Aberdeen Superannuation and Life Assurance Scheme (UASLAS). The Strathclyde Pension Fund (SPF) has returned to a small surplus of £0.4m, but this has not been recognised in the University's balance sheet. A further £3.2m (2017: £3.4m) has been provided against the payment of enhanced pensions to a number of former Northern College employees

The UASLAS scheme triennial valuation exercise for 31 July 2016 was completed during the year and reported a deficit of £9.0m and resulted in employer contributions increasing from 17.5% to 24.2%. A member consultation was held during the summer of 2018 and, following approval of the consultation by Court, the scheme will continue to offer pension benefits on a defined benefit basis with a lower accrual rate. From 1 January 2019, employer contributions reduced to 18.3%, and include an annual deficit recovery payment of £725,000. In addition, the University has secured a pension guarantee facility for the full reported deficit. The 31 July 2019 triennial valuation exercise is currently underway.

USS is a multi-employer scheme in which the University is a participating employer. The 2017 actuarial valuation of USS was formally completed during the year and the total multi-employer pension liability increased significantly to £7.5bn. As disclosed in our 2017/18 annual report, due to this increased liability, our USS deficit was predicted to increase significantly in the year to 31 July 2019 and the provision increased by £41.9m to £69.4m which is line with our expectations.

In parallel to the 2017 valuation exercise, a Joint Expert Panel (JEP) was established to assess the valuation and this panel delivered its report in September 2018. The USS Trustee was unable to accept all JEP recommendations and a 31 March 2018 valuation exercise has been undertaken. In May 2019, USS announced three possible options for the 2018 valuation exercise, all of which would significantly reduce employer's contributions from October 2019 compared with those under the 2017 exercise. Following a consultation with UUK, University & College Union (UCU) and the Chair of the Joint Negotiating Committee (JNCC) has agreed that an option resulting in employer and employee contributions of 21.1% and 9.6% respectively will remain in place until 2021, at which point either an

updated schedule of contributions from the 2020 valuation or a combined contribution rate of a minimum of 34.7% will be introduced. This option includes three main conditions imposed by the USS Trustee, in that universities be subject to debt monitoring, a moratorium on leaving the scheme until completion of the 2020 valuation and that the USS Trustee would request pari passu security for section 75 debt should an institution look to raise secured debt. The JEP work continues, and Universities have asked that USS consider their recommendations whilst carrying out the 2020 valuation.

The 2018 actuarial valuation has now been completed and a new deficit recovery plan has been agreed. As at 31 July 2019 and with all other assumptions unchanged, this would have resulted in a revised provision of £39.9m, a decrease of £29.5m from the current year end provision. As the 2018 valuation was concluded after the year end date, this cannot be used as a basis for the provision calculation as at 31 July 2019.

Outlook and Future Plans

Aberdeen, as with many other HE intuitions continues to face a challenging and an uncertain financial environment.

With this in mind, we will continue to focus on income generation, increasing productivity and achieving efficiencies to ensure long-term financial sustainability.

We have developed an exciting portfolio of initiatives, including enhancement to our overseas and on-line tuition programmes, that are beginning to have a positive effect on our student recruitment. Court has approved plans which include ambitious income targets as well as a strategic investment fund to invest in fifty new academic appointments, which will support academic performance and revenue growth over the next three years. The strategic investment fund will be used to support the potential to deliver enhanced performance in the Research Excellence Framework and increases in research income and net tuition fee income. We have also entered into a partnership with an International Foundation provider, opening up alternative pathways for overseas students to study at Aberdeen.

The University has announced a £100m regeneration plan for the King's Campus. Construction of the new Science Teaching Hub, costing £38m, is already underway and will be completed for the beginning of the 2021/22 academic year. The Science Teaching Hub, including state of the art laboratory facilities, will provide the main teaching facilities for many of our science-based subjects.

Securing £60m of investment via the private placement bond has allowed us to develop exciting plans for the re-development of our King's College Campus, with these plans being instrumental in attracting students from around the world and to achieving our targets for the years ahead.

Ambitious plans are also being established to revitalise the historic heart of the campus. Work is already underway on two large collaborative teaching spaces within the south wing of the King's Quad. Additional work, funded by the private placement, is being explored as the University aims to develop educational spaces in the under utilised facilities within the Campus. Enhancement proposals are also being explored for the Business School, which is expected to double its student population over the next decade.

These improvements will allow us to enter into new markets and to diversify our income streams which will improve cash generation and allow us to continue to invest for the future as our longer-term vision towards 2040 is finalised.



Independent auditor's report to the Court of the University of Aberdeen

REPORT OF THE AUDITOR ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of the University of Aberdeen ("the University") for the year ended 31 July 2019 which comprise the Consolidated and University Statements of Comprehensive Income and Expenditure, the Consolidated and University Statements of Change in Reserves, the Consolidated and University Balance Sheets, the Consolidated Cash Flow Statement and the related notes, including the accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2019 and of the Group's and the University's income and expenditure, gains and losses and changes in reserves and of the Group's cash flows for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the 2015 Statement of Recommended Practice – Accounting for Further and Higher Education; and
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

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

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the

reasonableness of estimates made by those charged with governance, such as in respect of the value of defined benefit pension obligations and the carrying value of fixed assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Group's future prospects and performance. Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Group and the University's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a group and this is particularly the case in relation to Brexit.

Going concern

The University Court has prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the University or to cease their operations, and as they have concluded that the Group and the University's financial position means that this is realistic. They have 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"). We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the University Court's conclusions, we considered the inherent risks to the Group's business model, including the impact of Brexit, and analysed how those risks might affect the Group and the University's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects. 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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the University will continue in operation.

Other information

The University Court for the University of Aberdeen is responsible for the other information, which comprises all of the information in the Annual Report other than the financial statements and

our audit opinion. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

We are required to report to you if:

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

We have nothing to report in these respects.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

University Court for the University of Aberdeen's responsibilities

As explained more fully in their statement set out on pages 40-41, the University Court for the University of Aberdeen is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit

conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at:

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 our opinion, in all material respects:

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

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the University Court for the University of Aberdeen in accordance with paragraph 12 of the Universities (Scotland) Act 1966 and, in the University Court's role as charity trustees, in accordance with section 44(1)(c) of the Charity and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the University Court for the University of Aberdeen those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University Court for the University of Aberdeen for our audit work, for this report, or for the opinions we have formed.

David Derbyshire

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
37 Albyn Place, Aberdeen AB10 1JB
10 December 2019

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



FINANCIAL STATEMENTS

Statement of Comprehensive Income and Expenditure
Year ended 31 July 2019

		Consolidated	University	Consolidated	University
		2019	2019	2018	2018
	Note	£000	£000	£000	£000
Income					
Tuition fees and educational contracts	1	62,613	62,613	55,842	55,842
Funding body grants	2	77,618	77,618	74,752	74,752
Research grants and contracts	3	54,210	54,210	56,079	56,079
Other income	4	31,482	31,482	31,286	31,286
Endowment and investment income	5	1,975	1,971	1,251	1,249
Endowments and donations	6	596	596	261	261
Total income		228,494	228,490	219,471	219,469
Expenditure					
Staff costs – excluding movements in pension provisions	7	136,565	136,565	136,124	136,124
Movement in pension provisions	7	42,561	42,561	(III)	(III)
Total staff costs	7	179,126	179,126	136,013	136,013
Other operating expenses	8	70,914	70,635	68,646	68,449
Depreciation	9	18,837	18,837	18,635	18,635
Interest and other finance costs	10	3,774	3,774	3,655	3,655
Total expenditure	11	272,651	272,372	226,949	226,752
(Deficit) before other gains/(losses) and share of operating surplus/(deficit) of joint venture		(44,157)	(43,882)	(7,478)	(7,283)
Gain/(loss) on disposal of fixed assets	12	86	33	3,047	(3)
Unrealised (loss) on revaluation of investment properties	13	(1,581)	(1,180)	(936)	(1,237)
Gain on non-current investments	14	1,368	973	2,361	1,842
Share of operational deficit in joint venture	15	(374)	-	(681)	-
(Deficit) before tax		(44,658)	(44,056)	(3,687)	(6,681)
Taxation		-	-	-	-
(Deficit) for the year		(44,658)	(44,056)	(3,687)	(6,681)
Actuarial (loss)/gain in respect of pension schemes - University	21a	(9,407)	(9,407)	13,255	13,255
Actuarial gain in respect of pension schemes - joint venture	15	-	-	162	-
Total comprehensive (deficit)/income for the year		(54,065)	(53,463)	9,730	6,574
Total comprehensive (deficit)/income for the year					
Endowment comprehensive income for the year		2,267	2,267	2,755	2,755
Unrestricted comprehensive (deficit)/income for the year		(56,332)	(55,730)	6,975	3,819
Total comprehensive (deficit)/income for the year		(54,065)	(53,463)	9,730	6,574

Consolidated and University Statement of Changes in Reserves
Year ended 31 July 2019

Consolidated	Income and expenditure account		Revaluation reserve	Total
	Endowment £000	Unrestricted £000	£000	
Balance at 1 August 2017	46,933	144,559	188,454	379,946
Surplus/(deficit) from the income and expenditure statement	2,755	(6,442)	-	(3,687)
Other comprehensive income	-	13,417	-	13,417
Transfers between revaluation and income and expenditure reserves	-	5,382	(5,382)	-
Total comprehensive income/(deficit) for the year	2,755	12,357	(5,382)	9,730
Balance at 1 August 2018	49,688	156,916	183,072	389,676
Surplus/(deficit) from the income and expenditure statement	2,267	(46,925)	-	(44,658)
Other comprehensive income	-	(9,407)	-	(9,407)
Transfers between income and expenditure reserves	-	5,493	(5,493)	-
Total comprehensive income/(deficit) for the year	2,267	(50,839)	(5,493)	(54,065)
Balance at 31 July 2019	51,955	106,077	177,579	335,611
University				
Balance at 1 August 2017	46,933	140,510	185,913	373,356
Surplus/(deficit) from the income and expenditure statement	2,755	(9,436)	-	(6,681)
Other comprehensive income	-	13,255	-	13,255
Transfers between revaluation and income and expenditure reserves	-	5,382	(5,382)	-
Total comprehensive income/(deficit) for the year	2,755	9,201	(5,382)	6,574
Balance at 1 August 2018	49,688	149,711	180,531	379,930
Surplus/(deficit) from the income and expenditure statement	2,267	(46,323)	-	(44,056)
Other comprehensive income	-	(9,407)	-	(9,407)
Transfers between revaluation and income and expenditure reserves	-	4,896	(4,896)	-
Total comprehensive income/(deficit) for the year	2,267	(50,834)	(4,896)	(53,463)
Balance at 31 July 2019	51,955	98,877	175,635	326,467

Balance Sheets as at 31 July 2019

	Note	Consolidated 2019 £000	University 2019 £000	Consolidated 2018 £000	University 2018 £000
Non-current assets					
Tangible assets	13	489,314	488,191	494,634	493,511
Heritage assets	13	277	277	277	277
Intangible assets	13	3,607	3,607	3,897	3,897
Investment properties	13	34,887	30,352	37,184	32,052
Non-current investments	14	108,978	126,395	51,301	69,113
Investment in joint venture	15	17,438	-	17,812	-
		654,501	648,822	605,105	598,850
Current assets					
Stock	16	233	233	141	141
Trade and other receivables (including debtors over one year: £1.0m 2018: £1.0m)	17	19,656	17,687	21,213	18,138
Investments	18	5,000	5,000	-	-
Cash and cash equivalents	23	35,704	34,184	31,350	30,911
		60,593	57,104	52,704	49,190
Less: Creditors: amounts falling due within one year	19	63,829	63,805	65,000	64,977
Net current liabilities		(3,236)	(6,701)	(12,296)	(15,787)
Total assets less current liabilities		651,265	642,121	592,809	583,063
Less: Creditors: amounts falling due after more than one year	20	218,866	218,866	160,269	160,269
Provisions					
Pension provisions	21a	94,676	94,676	41,674	41,674
Other provisions	21b	2,112	2,112	1,190	1,190
		96,788	96,788	42,864	42,864
Total net assets		335,611	326,467	389,676	379,930
Restricted reserves					
Income and expenditure reserve – endowment reserve	22	51,955	51,955	49,688	49,688
Unrestricted reserves					
Income and expenditure reserve		106,077	98,877	156,916	149,711
Revaluation reserve		177,579	175,635	183,072	180,531
Total funds		335,611	326,467	389,676	379,930

The Accounts set out on pages 65 to 94 were approved by the University Court on 10 December 2019 and signed on its behalf by:

Professor George Boyne MA, MLitt, PhD, AcSS
Principal and Vice-Chancellor

Esther A Robertson
Senior Governor of the University Court

David Beattie MA, CPFA
Director of Finance

Consolidated Cash Flow Statement
Year ended 31 July 2019

	Note	2019 £000	2018 £000
Cash flow from operating activities			
Deficit for the year		(44,658)	(3,687)
Adjustments for non-cash items			
Depreciation	9 & 13	18,837	18,635
Impairment of fixed assets	13	119	2,166
(Gain) on investments	14	(1,368)	(2,361)
(Increase)/Decrease in stock		(92)	115
Decrease in debtors		482	1,070
Increase in creditors and other provisions		1,407	4,327
Increase in pension provisions (excluding actuarial gain or loss)		43,595	847
Unrealised deficit on revaluation of investment properties	13	1,581	936
Share of operating deficit in joint venture	15	374	681
Adjustments for investing or financing activities			
Investment income	5	(1,975)	(1,251)
Interest payable	10	2,870	2,526
Endowment income	6 & 22	(377)	(62)
Capital grants received/released during the year		(4,466)	(3,626)
Profit on sale of fixed assets	12	(86)	(3,047)
Net cash inflow from operating activities		16,243	17,269
Cash flows from investing activities			
Proceeds from sales of fixed assets		1,875	45
Capital grant receipts		4,136	2,970
Disposal of non-current investments		-	11,343
(Additions to) /Withdrawal from deposits		(60,000)	1,385
Investment income	5	1,975	1,251
Payments made to acquire fixed assets		(13,346)	(13,889)
New non-current asset investments	14	(1,309)	(11,690)
		(66,669)	(8,585)
Cash flows from financing activities			
Interest paid	10	(1,751)	(1,339)
Interest element of finance lease and service concession payments	10	(1,119)	(1,187)
Endowment cash received	6 & 22	377	62
Repayments of amounts borrowed		-	(96)
New unsecured loans and leases	20	60,613	-
Capital element of finance lease and service concession payments		(3,340)	(1,795)
		54,780	(4,355)
Increase in cash and cash equivalents in the year		4,354	4,329
Cash and cash equivalents at beginning of the year	23	31,350	27,021
Cash and cash equivalents at end of the year	23	35,704	31,350
Movement in cash and cash equivalents		4,354	4,329



STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

Basis of preparation

a. Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2015) and in accordance with Financial Reporting Standard (FRS) 102. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS102. Charities registered with the Office of the Scottish Charity Regulator ("OSCR") fall within the statutory remit of the Charities and Trustee Investment (Scotland) Act 2005 and, in respect of financial statements preparation, the Charities Accounts (Scotland) Regulations 2006 (as amended). Regulation 14 of the 2006 Regulations allows universities to prepare their financial statements in accordance with the SORP.

The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of investment properties, endowment investments and equity investments).

The functional currency of the group is sterling and all amounts have been presented to the nearest thousand pounds.

The financial position of the University, including details of its net current liabilities and its long term borrowings and their financial covenant, is set out in the Financial Review on pages 56 to 61. The financial statements continue to be prepared on a going concern basis as the University Court considers that the University has adequate financial resources to continue in operational existence for the foreseeable future.

b. Critical accounting judgments and estimates

The preparation of financial statements requires management to make judgments and adopt estimates that affect the financial statements during the reporting period.

Critical accounting judgments include the evaluation of the Universities Superannuation Scheme (USS) as a multi-employer scheme. The University has judged that the USS meets the definition of a multi-employer scheme for the reasons set out in the accounting policy for pension schemes below. The University has also determined that in calculation of the USS year end provision at 31 July 2019, the schedule of contributions from the 2017 valuation should be used. This judgment reflects that the 2018 valuation has not been formally completed. Further disclosure has been included in notes 21a and 28 to the financial statements in respect of this judgment.

In the preparation of the consolidated financial statements, management has made estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses during the year. Actual results could differ from these estimates. Estimates are used principally when determining economic and mortality valuation assumptions for defined benefit pension scheme liabilities and in accounting for the carrying value of tangible fixed assets, by way of depreciation and impairment, and accounting for the fair value of investment properties, by way of annual revaluation (note 13). Estimate is also required in respect of other provisions, disclosed in note 21b.

c. Basis of consolidation

The consolidated financial statements include the University and its subsidiary for the year to 31 July 2019. The results of subsidiaries acquired or disposed of during the period are included in the consolidated income and expenditure account from the date of acquisition or up to the date of disposal. Intra-group sales and profits are eliminated fully on consolidation. A list of subsidiary undertakings is included in note 30.

The consolidated financial statements do not include the income and expenditure of Aberdeen University Students' Association or the University of Aberdeen Development Trust as the University does not exert control or dominant influence over policy decisions of these organisations.

Associated companies and joint ventures are accounted for using the equity method.

Income recognition

a. Grant funding

Government revenue grants including Scottish Funding Council block grants and research grants 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 on the balance sheet 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 for the year for which they arise and are either restricted or unrestricted income according to the terms applied to the individual endowment fund.

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

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. Tuition fee income

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

d. Other 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.

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

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

e. Capital grants

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised within income when the University is entitled to the funds subject to any performance related conditions being met.

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, for example annual leave, are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

Operating leases

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

Finance leases

Leases where the University substantially assumes all the risks and rewards of ownership of the leased asset are classified as finance leases with the asset recognised in the balance sheet. Leased assets acquired by way of finance leases 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 the start 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.

Borrowing costs

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

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

Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to depreciated replacement cost on or prior to the date of transition to the SORP are measured on the basis of deemed cost, being the revalued amount at the date of transition. A revaluation reserve remains disclosed as a separate component of unrestricted reserves.

The difference between historic cost depreciation and depreciation based on revalued deemed cost is transferred from the revaluation reserve to the income and expenditure reserve in each reporting period.

a. Land and buildings

Land and buildings are stated at cost or deemed cost for those acquired prior to transition to the SORP. Subsequent capital expenditure is recorded at cost.

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services. Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the surplus or deficit in the Statement of Comprehensive Income. Properties are not depreciated but are revalued annually according to market conditions at 31 July each year.

The University performs impairment reviews of assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's net realisable value and its value in use, is less than its carrying amount.

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

University. The cost of any such enhancement is added to the gross carrying amount of the tangible fixed asset concerned.

b. Equipment

Equipment, including computers and furniture costing less than £20,000 per individual item or group of related items, is written off in the year of purchase. All other items are capitalised. Assets acquired under finance leases are included in fixed assets and the capital element of the leasing commitments is shown as a liability.

c. Depreciation

Freehold land is not depreciated. Freehold buildings are depreciated over the expected useful economic life to the University, normally between 30 and 75 years. Where material, a depreciable asset's anticipated useful life is reviewed annually and the accumulated and future depreciation charges are adjusted.

Depreciation on tangible fixed assets in the course of construction is only provided when the assets are first brought into operational use. No depreciation is provided for on investment properties.

Depreciation is provided on the value of equipment, including IT equipment on a straight line basis, normally between 2 – 10 years.

d. Heritage assets

The University holds a number of collections, exhibits, artefacts, and other assets of historical, artistic or scientific importance. Heritage assets acquired before 31 July 2011 have not been capitalised, since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions from 1 August 2011 are capitalised at cost or, in the case of donated assets, will be valued where the cost of obtaining value is not greater than the benefit to the user of the financial statements. In line with the accounting policy in respect of equipment, the threshold for capitalising heritage assets is £20,000. Heritage assets that are irreplaceable originals and for which no reliable value can be attributed, will not be capitalised. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

e. Repairs and maintenance

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

f. Intangible assets

Intangible assets (i.e. computer software) are amortised over their remaining useful economic life, not exceeding 15 years.

Investments

Listed investments, including spin out companies that the University has an interest in, held as fixed assets or endowment assets are shown at market value with movements recognised in the Surplus or Deficit. Investments in subsidiary undertakings are shown at cost and investments in joint ventures are shown in the consolidated balance sheet as the attributable share of net assets. The University's share of any surplus or deficit in respect of Joint Ventures is recognised in the income and expenditure account. Other investments include term-deposits with a maturity date of more than 12 months from the balance sheet date.

Stock

Stock, including work in progress, is valued at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow-moving and defective stock.

Research and development

Research and development costs incurred by the University on its own behalf are written off in the year incurred with the exception of any equipment or software that is capitalised in line with the University's accounting policy.

Taxation

The University is an exempt charity within the meaning of Charities and Trustee Investment (Scotland) Act 2005 and, as such, is a charity within the meaning of Section 506(l) of the Income and Corporation Taxes Act 1988. The University is recognised as a charity by HM Revenue & Customs and is recorded on the index of charities by the Office of the Scottish Charity Regulator. It is, therefore, a charity within the meaning of Paragraph 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 sections 478-488 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 exclusively to charitable purposes. Subsidiary companies are liable to corporation tax.

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

Cash and cash equivalents

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

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

Foreign currency

Foreign currency transactions are recorded at the rate of exchange at the dates of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling at financial year end rates. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income and Expenditure.

Provisions, contingent liabilities and contingent assets

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

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

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

Basic financial instruments

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the University's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Other financial instruments

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in the Surplus or Deficit except hedging instruments in a designated hedging relationship.

Pension schemes

The principal schemes for the University's staff are the Universities' Superannuation Scheme (USS) and the University of Aberdeen Superannuation & Life Assurance Scheme (UASLAS). The University also contributes to the Strathclyde Pension Fund (SPF). Each scheme is or includes a defined benefit plan which is valued every three years by professionally qualified independent actuaries. A small number of staff remain in other pension schemes.

a. Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the University pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

b. Defined benefit plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The Group should recognise a liability for its obligations under defined benefit plans, net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds which match the currency and approximate to the duration of the pension liabilities. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds.

c. Multi-employer scheme

The defined benefit section of the USS is a multi-employer scheme. The assets are not attributed to individual employers and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other employers and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by section 28 of FRS 102, "Employee benefits", the University therefore accounts for the USS defined benefit scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure represents contributions payable to the scheme. The University recognises an immediate expense and provision liability for the present value of contributions which are payable that arise from deficit funding obligations.

Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund which the University must hold in perpetuity. Other restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

1. Tuition fees and educational contracts

2019
£000

2018
£000

Consolidated and University		
Scottish fees	14,616	14,823
EU fees	5,211	4,477
RUK fees	8,594	9,018
Non-EU fees	32,040	25,859
Non-credit bearing course fees	1,966	1,335
Other contracts	186	330
	62,613	55,842

2. Funding body grants

Consolidated and University		
SFC general funding - teaching	46,983	46,010
SFC general funding - research	23,277	22,617
Strategic research development grant	2,905	2,358
Capital grants released from deferred income	4,129	3,401
Other SFC grants	324	366
	77,618	74,752

3. Research grants and contracts

Consolidated and University		
Research councils	10,436	11,831
UK based charities	9,623	9,655
UK central and local government, health and hospital authorities	17,914	18,269
UK industry, commerce and public corporations	3,583	3,424
EU government bodies	3,704	4,996
EU other	782	877
Other overseas	7,752	6,859
Other sources	416	168
	54,210	56,079

Research grants and contracts income includes the following significant grants:

Funding body	Project title	£000
RESAS	RESAS main programme	7,098
Wista Laboratories Ltd	Alzheimer's research project	4,772
Chief Scientist's Office	HSRU core grant	579
Scottish Government	Strategic Marine Mammal Monitoring Programme for the Moray Firth	567
Scottish Government	HERU core grant	510
National Institute for Health Research	Technology assessment reviews	452

4. Other income

	Consolidated 2019 £000	University 2019 £000	Consolidated 2018 £000	University 2018 £000
Residences, catering and conferences	12,148	12,148	11,483	11,483
Consultancy	5,105	5,105	5,217	5,217
Health authorities	6,153	6,153	5,581	5,581
VAT recovery	539	539	502	502
Other grants	7,483	7,483	8,499	8,499
Capital grants received/released	54	54	4	4
	31,482	31,482	31,286	31,286

5. Investment income

Investment income from endowments (note 22)	1,496	1,496	1,057	1,057
Other investment income	479	475	194	192
	1,975	1,971	1,251	1,249

6. Donations and endowments

New endowments (note 22)	377	377	62	62
Donations with restrictions	219	219	199	199
	596	596	261	261

7. Staff costs

	2019 £000	2018 £000
Consolidated and University		
Salaries	107,511	107,358
Social security costs	10,642	10,665
Movement on pension provisions (note 21a)	42,561	(111)
Other pension costs	18,412	18,101
	179,126	136,013

Emoluments of the Principal and Vice-Chancellor – Professor George Boyne

Salary	250	-
Pension contributions to USS	5	-
Sub-total	255	-
Benefit in kind – accommodation and associated costs	20	-
Total	275	-

Emoluments of the former Principal and Vice-Chancellor – Professor Sir Ian Diamond

Salary	6	282
Pension contributions to USS	-	30
Sub-total	6	312
Contractual notice payment and related expenses	-	289
Total	6	601

The remuneration (comprising of salary and pension contributions) of the Principal, Professor George Boyne, in the financial year was £255,000 (2018 (Professor Sir Ian Diamond): £312,000). This was 6.4 times (2018: 7.9 times) the median remuneration of the workforce which was £39,673 (2018: £39,551).

Staff costs for key management personnel excluding employer's pension contribution	925	1,196
---	------------	--------------

Key management personnel are the University's Senior Management Team, comprising of the Senior Vice Principal, Vice Principals, Secretary to the University, Director of Finance and Director of People.

7. Staff costs - continued

Compensation for loss of office payable to senior post holders:	2019		2018	
	Number	£000	Number	£000
Number of payments in excess of £100,000 during the year	-	-	1	139
Compensation arrangements for members of staff earning in excess of £100,000	1	53	1	139

Remuneration of other higher paid staff	2019		2018	
	Number	Number	Number	Number
£100,000 - £109,999	14	23		
£110,000 - £119,999	23	18		
£120,000 - £129,999	9	5		
£130,000 - £139,999	5	7		
£140,000 - £149,999	5	3		
£150,000 - £159,999	1	2		
£160,000 - £169,999	-	2		

Remuneration of other higher paid staff (which excludes the Principal) is stated excluding salary sacrifice and employer's pension contributions.

Average staff numbers by activity - full time equivalent basis		
Academic departments	1,096	1,101
Academic services	284	270
Administration and central services	368	361
Premises	193	197
Residences, catering and conferences	118	123
Research grants and contracts	417	445
Other expenses	114	113
	2,590	2,610

Staff costs by activity – Consolidated and University	2019		2018	
	£000	£000	£000	£000
Academic departments	65,606	64,863		
Academic services	12,721	11,632		
Administration and central services	17,087	17,363		
Premises	6,206	6,359		
Residences, catering and conferences	3,528	3,653		
Research grants and contracts	23,804	25,307		
Other expenses	7,613	6,947		
Pension cost adjustments	42,561	(111)		
	179,126	136,013		

8. Other operating expenses by activity

	Consolidated 2019 £000	University 2019 £000	Consolidated 2018 £000	University 2018 £000
Academic departments	13,996	13,996	13,048	13,048
Academic services	7,453	7,453	6,234	6,234
Administration and central services	9,653	9,653	9,347	9,347
Premises	10,408	10,408	9,766	9,766
Residences, catering and conferences	5,952	5,952	5,604	5,604
Research grants and contracts	17,338	17,338	17,209	17,209
Other expenses	6,114	5,835	7,438	7,241
	70,914	70,635	68,646	68,449

Other operating expenses (including VAT) include:

External auditors remuneration in respect of audit services	72	69	53	51
External auditors remuneration in respect of non-audit services	15	15	13	13
Internal auditors remuneration in respect of audit services	99	99	104	104
Internal auditors remuneration in respect of non-audit services	-	-	-	-

9. Depreciation by activity

Academic departments	2,224	2,224	2,389	2,389
Academic services	3,493	3,493	3,038	3,038
Administration and central services	63	63	94	94
Premises	9,092	9,092	8,807	8,807
Residences, catering and conferences	3,280	3,280	3,656	3,656
Research grants and contracts	506	506	488	488
Other expenses	179	179	163	163
	18,837	18,837	18,635	18,635

10. Interest and other finance costs

Loan interest	1,751	1,751	1,339	1,339
Finance leases	1,119	1,119	1,187	1,187
Interest on pension scheme liabilities (note 21a)	904	904	1,129	1,129
	3,774	3,774	3,655	3,655

11. Analysis of total expenditure by activity

	Consolidated 2019 £000	University 2019 £000	Consolidated 2018 £000	University 2018 £000
Academic departments	81,826	81,826	80,300	80,300
Academic services	23,667	23,667	20,904	20,904
Administration and central services	26,803	26,803	26,804	26,804
Premises	27,457	27,457	26,271	26,271
Residences, catering and conferences	13,879	13,879	14,101	14,101
Research grants and contracts	41,648	41,648	43,004	43,004
Other expenses	14,810	14,531	15,676	15,479
Pension cost adjustments	42,561	42,561	(111)	(111)
	272,651	272,372	226,949	226,752

12. Disposal of fixed assets

Gain on disposal of fixed assets	86	33	3,047	(3)
----------------------------------	-----------	-----------	--------------	------------

The gain is in respect of the disposal of surplus investment properties (The 2018 gain was in respect of the disposal of surplus land).

13. Fixed assets - Non-current assets - Consolidated

	Freehold Land and Buildings £000	Assets in Course of Construction £000	Investment Properties £000	Heritage Assets £000	Fixtures, Fitting and Equipment £000	Intangible Assets £000	Total £000
Cost or Valuation							
At 1 August 2018	535,465	1,621	37,184	277	54,024	7,083	635,654
Additions	3,586	2,613	-	-	7,087	60	13,346
Reclassification	167	(167)	-	-	-	-	-
Revaluation	-	-	(1,581)	-	-	-	(1,581)
Disposals	-	-	(716)	-	(4,729)	-	(5,445)
Impairment	-	(119)	-	-	-	-	(119)
At 31 July 2019	539,218	3,948	34,887	277	56,382	7,143	641,855
Depreciation							
At 1 August 2018	53,980	-	-	-	42,496	3,186	99,662
Charge for the year	13,291	-	-	-	5,196	350	18,837
Eliminated on disposals	-	-	-	-	(4,729)	-	(4,729)
At 31 July 2019	67,271	-	-	-	42,963	3,536	113,770
Net book value							
At 31 July 2019	471,947	3,948	34,887	277	13,419	3,607	528,085
At 31 July 2018	481,485	1,621	37,184	277	11,528	3,897	535,992

13. Fixed assets - Non-current assets - University

	Freehold Land and Buildings	Assets in Course of Construction	Investment Properties	Heritage Assets	Fixtures, Fitting and Equipment	Intangible Assets	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation							
At 1 August 2018	534,284	1,621	32,052	277	54,024	7,083	629,341
Additions	3,586	2,613	-	-	7,087	60	13,346
Reclassification	167	(167)	-	-	-	-	-
Revaluation	-	-	(1,180)	-	-	-	(1,180)
Disposals	-	-	(520)	-	(4,729)	-	(5,249)
Impairment	-	(119)	-	-	-	-	(119)
At 31 July 2019	538,037	3,948	30,352	277	56,382	7,143	636,139
Depreciation							
At 1 August 2018	53,922	-	-	-	42,496	3,186	99,604
Charge for the year	13,291	-	-	-	5,196	350	18,837
Eliminated on disposals	-	-	-	-	(4,729)	-	(4,729)
At 31 July 2019	67,213	-	-	-	42,963	3,536	113,712
Net book value							
At 31 July 2019	470,824	3,948	30,352	277	13,419	3,607	522,427
At 31 July 2018	480,362	1,621	32,052	277	11,528	3,897	529,737

As part of the transition to FRS102, the University chose to no longer revalue land and buildings and to use the 31 July 2014 valuation figures as the deemed cost of assets. The 2014 valuation was performed by Mr A Donaldson BLE, MRICS, Director of Estates, University of Aberdeen. The basis of valuation is depreciated replacement cost as set out in the Royal Institute of Chartered Surveyor's Statement of Asset Valuation Practice and Guidance Notes. The 31 July 2014 valuation was externally reviewed by J & E Shepherd, Chartered Surveyors.

The University owns academic, academic related and recreational buildings which are located in Old Aberdeen, at Foresterhill, part of Marischal College and various Halls of Residence complexes. Part of the Hillhead Halls of residence complex is held under a finance lease, the net book value of assets held under finance leases by the University is £24.2m (2018: £25.5m).

Consolidated and University fixed assets net book value at 31 July 2019 respectively include £34.9m (2018: £37.2m) and £30.4m (2018: £32.1m) in respect of investment properties that are required to be revalued on an annual basis. This was carried out on 31 July 2019 and was performed by Mr A Donaldson BLE, MRICS, Director of Estates, University of Aberdeen.

Should any land and buildings financed by exchequer funds be sold, the University may be liable, under the terms of the Financial Memorandum with the Scottish Funding Council, to repay the proceeds.

The net book value of fixed assets is analysed between:

	Consolidated 2019 £000	University 2019 £000	Consolidated 2018 £000	University 2018 £000
Tangible assets	489,314	488,191	494,634	493,511
Heritage assets	277	277	277	277
Intangible assets	3,607	3,607	3,897	3,897
Investment properties	34,887	30,352	37,184	32,052
	528,085	522,427	535,992	529,737

14. Non-current investments

	Endowments £000	Spin-Outs £000	Pensions £000	Other £000	Total £000
Consolidated					
At 1 August 2018	46,574	1,133	3,037	557	51,301
Additions	1,000	25	-	55,284	56,309
Appreciation	1,340	(76)	104	-	1,368
At 31 July 2019	48,914	1,082	3,141	55,841	108,978
University					
At 1 August 2018	46,574	1,133	3,037	18,369	69,113
Additions	1,000	25	-	55,284	56,309
Impairment	-	-	-	(395)	(395)
Appreciation	1,340	(76)	104	-	1,368
At 31 July 2019	48,914	1,082	3,141	73,258	126,395

	Consolidated £000	University £000
Other non-current investments consist of:		
Aberdeen Sports Village Ltd (Joint Venture)	-	17,417
CVCP Properties	43	43
Term Deposits	55,000	55,000
Epidarex Capital	798	798
	55,841	73,258

The Group's subsidiary undertakings are listed in note 30.

The Group has participating interests in spin out entities which exceed 20% of voting rights (at cost), however there is no board control over the entities and significant influence is not exerted over the operating and financial policies. As a result, the investees are free to implement policies that are inconsistent with the investor's strategy. The substance of the relationship between the investor and investee is that of a fixed asset investment with a view to a trade sale in the medium term. Therefore, these investments are disclosed as fixed asset investments and are not accounted for as equity.

The total value of endowments, spin outs and pension non-current assets carried at fair value in the consolidated balance sheet is £53.1m (2018: £50.7m)

15. Investment in joint venture

The University holds a 50% share of Aberdeen Sports Village Limited, a company limited by guarantee and registered as a charity. The company provides premier sporting facilities to our students and the wider community, including the Aquatics Centre with an Olympic standard swimming pool. This is a joint venture company owned equally by the University and Aberdeen City Council. The arrangement is treated as a joint venture and is accounted for using the gross equity method, such that 50% of the company's gross assets and liabilities are incorporated into the consolidated balance sheet of the University and 50% of its net income is reported in the University's consolidated Statement of Comprehensive Income.

	2019 £000	2018 £000
Consolidated		
Income and expenditure account		
Deficit before tax	(374)	(681)
Actuarial gain/(loss) on pension scheme	-	162
	(374)	(519)
Balance sheet		
Fixed assets	19,190	20,025
Current assets	3,476	3,345
	22,666	23,370
Less: Restricted funding from SportScotland	(4,506)	(4,711)
Share of gross assets	18,160	18,659
Less: Creditors - amounts due with one year	(722)	(847)
Share of net assets	17,438	17,812

The movement in the share of net assets from the prior year reflects the University's share of the loss for the year.

16. Stock

	Consolidated	University	Consolidated	University
	2019	2019	2018	2018
	£000	£000	£000	£000
Stock of finished goods	233	233	141	141

17. Trade and other receivables

Trade debtors	7,714	5,714	8,293	5,218
Prepayments and accrued income	11,942	11,942	12,920	12,920
Amounts due from subsidiary companies	-	31	-	-
	19,656	17,687	21,213	18,138

The consolidated debtor figure includes £1.0m that falls due in over one year (2018: £1.0m).

Financial instruments included within trade and other receivables are carried at amortised cost.

18. Investments

Term deposits	5,000	5,000	-	-
---------------	-------	-------	---	---

19. Creditors: amounts falling due within one year

Loans and leases	1,377	1,377	3,344	3,344
Research grants received on account	18,910	18,910	18,528	18,528
Other grants received on account	12,941	12,941	12,253	12,253
Trade creditors	5,154	5,154	5,617	5,617
Social security and other taxation payable	4,199	4,199	2,966	2,966
Accruals and deferred income	21,248	21,224	22,292	22,269
	63,829	63,805	65,000	64,977

Financial instruments included within creditors are carried at amortised cost.

20. Creditors: amounts falling due after more than a year

	Consolidated 2019 £000	University 2019 £000	Consolidated 2018 £000	University 2018 £000
Loans	100,000	100,000	40,000	40,000
Finance lease obligations	24,218	24,218	24,979	24,979
Deferred income	94,648	94,648	95,290	95,290
	218,866	218,866	160,269	160,269

a. Loans are repayable:

Less than one year	-	-	-	-
Between one and two years	-	-	-	-
Between two and five years	10,000	10,000	10,000	10,000
In five years or more	90,000	90,000	30,000	30,000
	100,000	100,000	40,000	40,000

b. Finance lease net obligations committed:

Less than one year	1,377	1,377	3,344	3,344
Between one and two years	1,385	1,385	1,247	1,247
Between two and five years	4,302	4,302	3,816	3,816
In five years or more	18,531	18,531	19,916	19,916
	25,595	25,595	28,323	28,323

c. Deferred income

Less than one year	4,028	4,028	3,717	3,717
Between one and two years	3,507	3,507	3,180	3,180
Between two and five years	8,126	8,126	9,045	9,045
In five years or more	83,015	83,015	83,065	83,065
	98,676	98,676	99,007	99,007

Deferred income relates to capital grants received from government bodies.

Included in loans are the following:

	Amount £000	Term Year	Rate %
Bank Loan – Tranche 1	4,600	2031	5.415
Bank Loan – Tranche 2	15,000	2036	3.000
Bank Loan – Tranche 3	10,000	2036	3.072
Bank Loan – Tranche 4	10,400	2036	3.195
Private Placement – Tranche 1	20,000	2044	3.050
Private Placement – Tranche 2	20,000	2049	3.130
Private Placement – Tranche 3	20,000	2054	3.190

In May 2019, the University raised £60m of borrowing through a private placement, the funds are in three tranches of £20.0m repayable in 25, 30 and 35 years. The bank loans are repayable in 4 equal instalments of £10.0m in 2021, 2026, 2031 and 2036 respectively.

Leases

In December 2012 the University entered into a 25 year finance leasing arrangement with Prudential Ltd in respect of the New Carnegie Court Halls of Residence, £25.0m is payable under this agreement which expires in 2037. During the year the University entered into a leasing agreement for IT equipment for £0.6m which expires in 2023.

21. Provisions for liabilities

a. Pension provisions	USS Deficit Obligations £000	Defined Benefit Obligations £000	Enhanced Pensions £000	Total Pension Provisions £000
Consolidated and University				
At 1 August 2018	27,524	10,750	3,400	41,674
Charged to staff costs	-	5,441	-	5,441
Movements in year	-	-	(200)	(200)
Interest payable	589	315	-	904
Employer contributions paid	(1,194)	(4,168)	-	(5,362)
Administrative expenses	-	330	-	330
Changes in expected contributions	42,482	-	-	42,482
Actuarial loss	-	9,407	-	9,407
At 31 July 2019	69,401	22,075	3,200	94,676

Further information regarding the USS pension scheme and defined benefit obligation schemes is available in note 28.

Since the year end, following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed of which more detail is given in note 28. As at 31 July 2019 and with all other assumptions used to calculate the provision unchanged, this would have resulted in a revised provision of £39.9m, a decrease of £29.5m from the current year end provision.

b. Other provisions	International Campus £000	Student Accommodation £000	Other £000	Total £000
Consolidated and University				
At 1 August 2018	690	440	60	1,190
Charged in year	260	823	279	1,362
Utilised in year	-	(440)	-	(440)
Released in year	-	-	-	-
At 31 July 2019	950	823	339	2,112

The University has reached agreement with our South Korean partners regarding the campus in South Korea and has provided £1.0m for re-payment of pre-establishment costs to our partners. The funds were repaid in October 2019.

The University has also provided for £0.8m in relation to external student accommodation contracts.

Other than disclosed above, provisions are expected to be used or reversed within one year.

22. Endowment reserves

Consolidated and University	Unrestricted Permanent £000	Restricted Permanent £000	Restricted Expendable £000	2019 Total £000	2018 Total £000
Balance at 1 August 2018					
Capital	17,129	26,886	180	44,195	41,526
Accumulated income	-	5,394	99	5,493	5,407
	17,129	32,280	279	49,688	46,933
New endowments	-	377	-	377	62
Investment income	540	946	10	1,496	1,057
Expenditure	(540)	(343)	(63)	(946)	(699)
Net expenditure	-	603	(53)	550	358
Increase in market value of investments	398	898	44	1,340	2,335
At 31 July 2019	17,527	34,158	270	51,955	49,688
Represented by:					
Capital	17,527	28,017	224	45,768	44,195
Accumulated income	-	6,141	46	6,187	5,493
	17,527	34,158	270	51,955	49,688
Analysis by purpose					
Bursaries				2,450	2,009
Prizes				2,019	1,684
Scholarships				6,001	4,787
Teaching foundations				4,717	3,904
Other restricted purposes				15,642	13,326
Unrestricted				17,527	17,129
Unallocated unrealised gains				3,599	6,849
				51,955	49,688

23. Cash and cash equivalents

	Consolidated £000	University £000
At 1 August 2018	31,350	30,911
Cash flows	4,354	3,273
At 31 July 2019	35,704	34,184

24. Reconciliation of net debt

Analysis of net debt	Consolidated	University	Consolidated	University
	2019	2019	2018	2018
	£000	£000	£000	£000
Cash and cash equivalents	35,704	34,184	31,350	30,911
Investments	60,000	60,000	-	-
	95,704	94,184	31,350	30,911
Borrowings: amounts falling due within one year				
Unsecured loans	-	-	-	-
Obligations under finance leases	1,377	1,377	3,344	3,344
	1,377	1,377	3,344	3,344
Borrowings: amounts falling due after more than one year				
Unsecured loans	100,000	100,000	40,000	40,000
Obligations under finance leases	24,218	24,218	24,979	24,979
	124,218	124,218	64,979	64,979
Net debt	29,891	31,411	36,973	37,412
	Consolidated	University	Consolidated	University
	2019	2019	2018	2018
	£000	£000	£000	£000
Net debt at 1 August 2018	36,973	37,412	43,193	43,855
Movement in cash, cash equivalents and investments	(64,354)	(63,273)	(4,329)	(4,552)
Capital repayment of finance leases	(3,341)	(3,341)	(1,795)	(1,795)
Repayment of unsecured loans	-	-	(96)	(96)
New finance leases	613	613	-	-
New unsecured loans	60,000	60,000	-	-
Net debt at 31 July 2019	29,891	31,411	36,973	37,412
Change in net debt	(7,082)	(6,001)	(6,220)	(6,443)

25. Capital commitments

	2019	2018
	£000	£000
Consolidated and University		
Commitments contracted for	30,537	2,601
Authorised but not contracted for	7,407	7,785
	37,944	10,386

26. Amounts disbursed as agent

	Childcare Funds £000	Undergraduate Funds £000	Postgraduate Funds £000	2019 Total £000	2018 Total £000
Consolidated and University					
At 1 August 2018	-	-	-	-	-
Allocation received in year	134	384	85	603	597
Interest earned	-	1	-	1	1
Expenditure	(121)	(329)	(64)	(514)	(598)
At 31 July 2019	13	56	21	90	-

27. Disclosure of related party transactions

Due to the nature of the Group and University's operations and the composition of the University Court being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of University Court may have an interest. All transactions involving organisations in which a member of the University Court may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures.

The following transactions were identified for the disclosure:

Organisation	Relationship	Nature of Transaction	Receipts £000	Payments £000
Aberdeen Performing Arts	Charity	Operations	3	20
Aberdeen Sports Village Limited	Joint venture	Operations/Grants	144	1,378
Aberdeen University Students Association	Charity	Operations/Grants	5	1,047
British Heart Foundation	Charity	Operations/Grants	302	-
Carnegie Trust	Charity	Operations/Grants	59	-
Cruickshank Botanical Gardens Trust	Charity	Operations/Grants	5	-
Diabetes UK	Charity	Operations/Grants	103	-
Rocking Horse Nursery	Customer/Supplier	Operations/Grants	110	519
Scottish Education Research Association	Charity	Operations	-	20
University of Aberdeen Development Trust	Charity	Operations/Grants	3,562	1,106

Outstanding balances owed from/(to) the above related parties at 31 July 2019 were as follows:

	2019 £000	2018 £000
Aberdeen Sports Village Limited	(62)	(9)
British Heart Foundation	40	85
Carnegie Trust	5	-
Cruickshank Botanical Gardens Trust	-	5
Diabetes UK	40	21
Rocking Horse Nursery	7	4
University of Aberdeen Development Trust	141	89

28. Pension schemes

The principal schemes for the University's staff are the Universities' Superannuation Scheme (USS) and the University of Aberdeen Superannuation & Life Assurance Scheme (UASLAS). The University also contributes to the Strathclyde Pension Fund (SPF). The UASLAS and SPF schemes are defined benefit schemes, whilst the USS scheme has a combination of defined benefit and defined contribution elements. All three schemes are externally funded. Each fund is valued every three years by professionally qualified independent actuaries. A small number of staff remain in other pension schemes.

Scheme participation and annual pension contribution costs

Pension Scheme	Employer	Employee	Active	2019	2018
	Contribution Rate	Contribution Rate	Members	£000	£000
	As at 31 July 2019				
UASLAS	18.4% ¹	8.0%	717	2,543	2,608
SPF	35.1%	Variable	27	245	191
USS	19.5% ²	8.8%	1,895	15,526	15,093
STSS	23.0%	Variable	5	43	45
NHSS	20.9%	Variable	19	133	103
				18,490	18,040

¹The UASLAS employer contribution rate includes a £725,000 contribution towards the elimination of the funding shortfall. The employer contribution rate reduced from 24.2% to 18.4% from 1 January 2019 following the conclusion of the 2016 valuation exercise. The Employee contribution rate increased from 7.05% to 8.0% as a result of the consultation.

²Following completion of the 31 July 2017 valuation exercise, employer and employee contributions increased from 1 April 2019, with a further increase from 1 October 2019 (employer 22.5%, employee 10.4%) and a further increase from April 2020. A 31 March 2018 valuation is underway, the result of which may change the planned October 2019 increases. The USS employer contribution rate does not include a deficit contribution for the period 1 April to 31 March 2020. From April 2020 there will be a 5.0% contribution in respect of the deficit recovery plan.

Key actuarial assumptions, if appropriate

Pension Scheme	Discount Rate	Salary Increase Rate	Pension Increase Rate	Mortality Rate Current pensioners male	Mortality Rate Current pensioners female	Mortality Rate Future pensioners male	Mortality Rate Future pensioners female
SPF	2.1%	3.7%	2.5%	20.7	22.9	22.2	24.6
UASLAS	2.3%	3.5%	CARE 2.5% Final Salary 3.5%	20.7	23.1	22.1	24.6

In calculating USS pension provision at 31 July 2019, the University used the discount rate (1.62%) provided by the British Universities Finance Directors Group (BUFDG) and a future salaries increase rate of 3%.

Guaranteed Minimum Pension

On 26 October 2018, the High Court in England handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded such schemes should be amended to equalise differences in pension benefits for men and women arising from amounts accrued under the Guaranteed Minimum Pension between 1990 and 1997. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. During the year, the University has worked with the trustees of the UASLAS and SPF schemes to understand and evaluate the additional defined benefit pension obligation arising from the judgment for each scheme. An additional liability of £0.8m has been recognized at 31 July 2019 in respect of Guaranteed Minimum Pension. This additional liability has been accounted for as a past service cost and charged to the statement of comprehensive income and expenditure statement, within staff costs, for the year. For the University's other defined benefit schemes, principally the USS, the provision included within the financial statements in note 21 may also be impacted in the future, to the extent changes in benefits due to the judgment increase the future level of employer deficit contributions. It is not possible currently to estimate this potential change at 31 July 2019.

28. Pension schemes - continued

The Universities Superannuation Scheme (USS)

The University participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The governors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2017 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2018 is underway but not yet complete.

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

The 2017 valuation was the fourth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £60.0 billion and the value of the scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.

The key financial assumptions used in the 2017 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI – 0.53% reducing linearly to CPI – 1.32% Years 11-20: CPI + 2.56% reducing linearly to CPI + 1.7% by year 21 Years 21 +: CPI + 1.7%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	2017 Valuation
	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females
	Post retirement: 96.5% of SAPS SINMA "light" for males and 101.3% of RFV00 for females
Future improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

The current life expectancies on retirement at age 65 are:

	2019	2018
Males currently aged 65 (years)	24.6	24.5
Females currently aged 65 (years)	26.1	26.0
Males currently aged 45 (years)	26.6	26.5
Females currently aged 45 (years)	27.9	27.8

28. Pension schemes - continued

The Universities Superannuation Scheme (USS)

A new deficit recovery plan was put in place as part of the 2017 valuation, which requires payment of 5% of salaries over the period 1 April 2020 to 30 June 2034. The 2019 pension liability provision reflects this plan. The provision figures have been produced using the following assumptions as at 31 March 2018 and 2019.

	2019	2018
Discount Rate	2.44%	2.64%
Pensions increases (CPI)	2.11%	2.02%

In accordance with the requirements of the SORP, the University currently recognises a provision for its obligation to fund past deficits arising within the Universities Superannuation Scheme (USS). The recovery plan in the 2017 actuarial valuation requires employers to contribute 5.0% of salaries towards repairing the deficit over a period of 15 years. The deficit recovery element of 5% has increased by 3.9% from the 2.1% deficit contribution rate in place until April 2019. Details of this provision, which has been discounted at a rate of 2.62% as at 31 July 2019, are included in note 21a to the financial statements.

The USS is a multi-employer scheme in which the University is a participating employer. The 2017 actuarial valuation of USS was formally completed, and the total multi-employer pension liability increased significantly to £7.5bn. As disclosed in our 2017/18 annual report, due to this increased liability and the resultant increase in deficit recovery contributions, our USS deficit was predicted to increase significantly in the year to 31 July 2019. The provision has increased by £41.9m to £69.4m which is in line with our expectations.

In parallel, a Joint Expert Panel (JEP) was established to assess the valuation and this panel delivered its report in September 2018. The USS Trustee was unable to accept all JEP recommendations and a 31 March 2018 valuation exercise has been undertaken. In May 2019, USS announced three possible options for the 2018 valuation exercise, all of which would significantly reduce employer's contributions from October 2019 compared with those under the 2017 exercise. Following a consultation with UUK, University & College Union (UCU) and the Chair of the Joint Negotiating Committee (JNCC) an option resulting in employer and employee contributions of 21.1% and 9.6% respectively until 2021 at which point either an updated schedule of contributions from the 2020 valuation or a combined contribution rate of a minimum of 34.7% will be introduced. This option includes three main conditions imposed by the USS Trustee, in that universities be subject to debt monitoring, a moratorium on leaving the scheme until completion of the 2020 valuation and that the USS Trustee would request *pari passu* security for section 75 debt should an institution look to raise secured debt. The JEP work continues, and Universities have asked that USS consider their recommendations whilst carrying out the 2020 valuation. As the 2018 valuation was not completed until after 31 July 2019, this could not be used as a basis for the provision calculation as at 31 July 2019.

The University of Aberdeen Superannuation and Life Assurance Scheme (UASLAS)

The University of Aberdeen Superannuation and Life Assurance Scheme is a funded defined benefit pension scheme in the UK. The Scheme is set up on a tax relieved basis as a separate trust independent of the University and is supervised by Trustees. The Trustees are responsible for ensuring that the correct benefits are paid, that the Scheme is appropriately funded and that Scheme assets are appropriately invested.

Active members of the Scheme pay contributions at the rate of 8.0% of pensionable salary (increased from 7.05% from 1 January 2019) and the University pays the balance of the cost as determined by regular actuarial valuations. The Trustees are required to use prudent assumptions to value the liabilities and costs of the Scheme for funding purposes whereas the accounting assumptions must be best estimates. The University contributes £725,000 per annum towards elimination of the funding shortfall. This is in addition to contributions paid in respect of future service benefits and administration expenses.

A formal actuarial valuation was carried out as at 31 July 2016 and resulted in employer contributions increasing by 6.7% to 24.2% from 1 January 2018. A member consultation was undertaken throughout summer 2018 that has resulted in a reduction in benefits and changes to contribution rates (employer 18.4%, employee 8%) from 1 January 2019. The 31 July 2019 valuation exercise is underway and is expected to conclude in early 2020.

The power to appoint Trustees is vested in the University Court. Court appoints four Trustees including an independent chairman and three University employees. A further two Trustees, who represent members, are elected by the active and pensioner members of the scheme. The arrangements for appointing membership representatives comply with the Membership Nominated Trustee requirements of the Pensions Act 2004.

Trustees are invited to attend Trustee meetings at which a minimum of two must be present for valid decisions to be taken. Decisions require the majority support of those Trustees present. Trustee meetings are normally held every three months, but can be called more frequently where necessary. During 2018/19 the Trustees met five times.

28. Pension schemes - continued

The University of Aberdeen Superannuation and Life Assurance Scheme (UASLAS)

Scheme Assets	2019	2018
	Fund Value	Fund Value
	£000	£000
Equities	63,755	68,043
Property	21,307	16,947
Government bonds	11,149	11,168
Corporate bonds	19,868	13,814
Index linked bonds	44,257	40,958
Secure pensions	991	1,056
Cash	3,700	4,151
	165,027	156,137

At 31 July 2019, the defined benefit deficit of the scheme was £22.1m (2018: £10.8m).

Following the 31 July 2016 triennial valuation, that reported a deficit of £9m on the Scheme, the University agreed to make annual deficit contributions of £725,000 over an 10 year period commencing 1 August 2017. During the year, the University entered into an arrangement with a third party bank to provide a bank guarantee to the pension scheme in respect of the £9m deficit.

The Strathclyde Pension Fund (SPF)

The Strathclyde Pension Fund (SPF) provides benefits based on a final pensionable salary for employees of local government and some other institutions. It is possible to identify each institution's share of the underlying assets and liabilities of the scheme and hence contributions to the scheme are accounted for as if they were a defined benefit scheme.

The last triennial valuation undertaken was at 31 March 2017. The employer's contribution rate payable on members' pensionable salaries is 35.1%. The accounting standard FRS102 is designed to produce a net pension asset or liability calculated according to a prescribed method of valuation. In particular, the discount rate applied to pension scheme liabilities differs from that used in normal actuarial valuations to determine, inter alia, the scheme's required funding rate, and generally produce a higher value for scheme liabilities. The pension costs are determined with the advice of an independent qualified actuary on the basis of triennial valuation using the projected unit method.

Scheme Assets	2019	2018
	Fund Value	Fund Value
	£000	£000
Equities	12,938	11,874
Bonds	4,777	4,082
Property	1,990	2,041
Cash	199	556
	19,904	18,553

At 31 July 2019, the defined benefit surplus of the scheme was £0.4m (2018: surplus of £0.7m). The University has not recognised the surplus in its balance sheet.

The Scottish Teachers Superannuation Scheme (STSS)

The STSS 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 assets value is ascribed to the scheme for the purposes of determining contribution rates.

Under the definitions set out in FRS102, the STSS is a multi-employer pension scheme. The University of Aberdeen 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 FRS102 and has accounted for its contribution as if it were a defined contribution scheme. The scheme is subject to a report by the Government Actuary every five years.

The National Health Service Superannuation Scheme (NHSSS)

NHSSS is a multi-employer defined benefit pension scheme. Historically the scheme has operated on the basis that it is responsible only for the cost of the basic benefits payable to members and their dependents, with the cost of pension increases being met by the Exchequer. However, from 1 April 2004, the cost of pension increases has been met by an increase in the employers' contribution rate. This scheme is also accounted for as if it were a defined contribution scheme.

28. Pension schemes - continued

Additional Pension Payments

Following the merger with Northern College in 2001 the University is responsible for the payment of enhanced pensions to a number of former employees of the College, most of whom have been granted early retirement. An actuarial valuation of the liability was carried out as at 1 December 2001, the date of the merger between the University and Northern College. This valuation revealed a liability of £4,596,000, which was incorporated into the accounts of the University at merger.

An actuarial valuation has been undertaken at 31 July 2018 as follows:

	2019	2018
Discount Rate	2.3%	2.9%
Pension Increases	2.5%	2.4%

In order to maintain consistency with the approach adopted for previous years, all other assumptions, including demographic assumptions adopted are those used for the University of Aberdeen Superannuation and Life Assurance Scheme (UASLAS).

Membership statistics for former employees of the Northern College of education in receipt of a pension on 31 July are as follows:

		2019	2018
		£000	£000
Old Scheme	Academic staff	132	138
	Support staff	8	9
New Scheme	Academic staff	105	106
	Support staff	36	35
Total		281	288

Benefits to be valued

The pensions are paid to former employees of the Northern College of Education subject to the following terms:

- Pension increases are in line with statutory increases (currently CPI inflation);
- Spouses' pensions are 50% of members' pensions at date of death;
- Widowers' pensions are payable in respect of females whose pensions commenced after 5 April 1988

	2019	2018
Results	£000	£000
Liability on this basis at 31 July	3,200	3,400

28. Pension schemes - continued

Combined disclosures – Defined Benefit Schemes

The following amounts were measured in respect of UASLAS and SPF and have been recognised in the financial statements.

	2019	2018
	£000	£000
Analysis of amounts recognised in surplus/(deficit) for the year		
Employer service cost	5,440	4,376
Administrative costs	330	330
Net interest cost	315	620
	6,085	5,326
Analysis of other comprehensive income		
Actuarial (losses)/gains	(18,408)	7,647
Return on assets excluding amounts in net interest	9,001	5,608
	(9,407)	13,255
Analysis of amount shown in the balance sheet:		
Actuarial value of scheme liabilities	(207,009)	(185,449)
Fair value of assets	184,934	174,699
Defined benefit liability at end of year	(22,075)	(10,750)
Reconciliation to the balance sheet:		
Defined benefit liability at end of previous year	(10,750)	(22,687)
Current service cost	(3,578)	(4,376)
Past service cost	(145)	-
Net interest charge	(315)	(620)
Administrative costs	(330)	(330)
Employer contributions	4,168	4,008
Planned changes to schemes	(1,718)	-
Actuarial (loss)/gain	(9,407)	13,255
Defined benefit liability at end of year	(22,075)	(10,750)
	2019	2018
	£000	£000
Change in scheme assets:		
Fair value of assets at prior year end	174,699	166,768
Administrative expenses	(330)	(330)
Interest income	4,975	4,457
Actuarial gain on assets	9,001	5,608
Employer contributions	4,168	4,008
Scheme participants contributions	102	94
Assets distributed on settlements	(339)	-
Benefits paid from scheme assets	(7,342)	(5,906)
Fair value on assets at current year end	184,934	174,699

28. Pension schemes - continued

Change in actuarial value of scheme liabilities:		
Scheme liabilities at prior year end	185,449	189,455
Employer service cost	3,723	4,376
Interest cost	5,290	5,077
Scheme participants contributions	102	94
Loss on planned changes	1,718	-
Liabilities extinguished on settlement	(339)	-
Actuarial loss/(gain)	18,408	(7,647)
Benefits paid from scheme assets	(7,342)	(5,906)
Scheme liabilities at current year end	207,009	185,449

Five-year history of assets and liabilities:	2019	2018	2017	2016	2015
	£000	£000	£000	£000	£000
Deficit in the schemes:					
Actuarial value of scheme liabilities	(207,009)	(185,449)	(189,455)	(189,867)	(165,124)
Fair value of assets	184,934	174,699	166,768	150,748	135,291
Deficit in the scheme	(22,075)	(10,750)	(22,687)	(39,119)	(29,833)

29. Lease obligations

Total rentals payable under operating leases:	2019	2018
	£000	£000
Payable during the year	644	486
Future minimum lease payments due:		
Not later than one year	412	301
Later than one year and not later than five years	756	546
	1,168	847

30. Subsidiary undertakings

The subsidiary companies, all of which are registered in Scotland, and are wholly owned by the University are as follows:

Company	Principal Activity
Rowett Research Institute Limited	Charitable research company
Aberdeen University Research & Innovation Services Limited	Dormant
King's College Centre Limited	Dormant
Aberdeen University Press Limited	Dormant

31. Financial instruments

Risk management

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

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

	Consolidated	University
	2019	2019
	£000	£000
Assets measured at fair value through income or expenditure		
- Amounts included in non-current assets (note 14)	108,137	108,137
- Current asset investments (note 18)	5,000	5,000
Assets measured at cost less impairment (note 17)	19,656	17,687
Liabilities (excluding loans) measured at amortised cost (note 19)	62,452	62,428
Loan commitments measured at amortised cost (note 20)		
- Loans	100,000	100,000
- Finance lease obligations	25,595	25,595

The fair value of financial assets at fair value through income or expenditure, is determined by reference to their quoted bid price at the balance sheet date.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the University. The University's credit risk arises from bank balances, investments, student debtors and commercial organisations as customers. Management of credit risk is a prime objective of the Treasury Management Policy. At 31 July 2019, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet.

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

Student and commercial debtors are reviewed on an on-going basis and a bad debt provision is made if recovery becomes uncertain. If a debtor is deemed irrecoverable it is written off. The concentration of risk is limited due to a large number of diverse customers across both student and commercial customer populations.

Liquidity risk

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities. Cash flow forecasts form part of the University planning process and are revised during the financial year with re-forecasts made as required. The University policy is to maintain an average cash balance equivalent to one month's core payroll and operating costs. Excess funds are invested to maximise the return whilst observing the Treasury Management Policy limits.

The long-term financing of the University has been secured by the private placement, the bank loan facility and finance lease in respect of student accommodation as detailed in note 20.

Foreign currency risk

Foreign currency risk refers to the risk that unfavourable movement in exchange rates may cause financial loss to the University. The University's principal foreign currency exposure is to the euro. The operating level of euros holding is reviewed on a monthly basis and after accounting for any forecast liabilities any surplus euros above this level are converted into sterling at spot rates.

Interest rate risk

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations of the value of balance sheet items (i.e. price risk) or changes in interest income or expenses (i.e. re-investments risk). The interest rates attached to both the loan facility and private placement are fixed over the term. Due to the low interest rate environment most of the University cash deposits at the 31st July 2019 are on-call as these offer a competitive rates of return whilst offering liquidity. Such deposits have limited re-investment risk.

Financial instruments – fair values

The fair values of each category of the University's financial instruments are the same as their carrying value in the balance sheet.

PRINCIPAL ADVISORS

Auditor – External	KPMG LLP 37 Albyn Place Aberdeen AB10 1JB
Auditor – Internal	PricewaterhouseCoopers LLP 141 Bothwell Street Glasgow G2 7EQ
Bankers	Bank of Scotland 39 Albyn Place Aberdeen AB10 1YN
Legal Advisors	Shepherd and Wedderburn LLP Commercial House 2 Rubislaw Terrace Aberdeen AB10 1XE
Taxation Advisors	Ernst & Young LLP (Until 30 April 2019) 10 George Street Edinburgh EH2 2DZ KPMG LLP (From 1 July 2019) 37 Albyn Place Aberdeen AB10 1JB PricewaterhouseCoopers LLP (From 1 July 2019) 141 Bothwell Street Glasgow G2 7EQ

GLOSSARY

AHRC	Arts & Humanities Research Council
ASV	Aberdeen Sports Village
Athena SWAN	Charter to encourage and recognise commitment to advancing the careers of women in science, technology, engineering, maths and medicine (STEMM) employment in higher education and research.
Audit Committee	A committee of Court that provides advice on the effectiveness of the University's procedures for audit, financial control, governance and risk management, and provides assurances in these key areas through its annual report to the Scottish Funding Council, which is approved by Court.
CMI Pension Mortality projections	Continuous Mortality Investigation – The CMI provides authoritative and independent mortality and sickness rate tables for UK life insurers and pension funds.
The Complete University Guide	The Complete University Guide is a UK-based ranking that assesses UK universities across a broad range of teaching and research indicators.
DLHE Survey	The Destinations of Leavers from Higher Education (DLHE) is an annual survey of recent graduates aimed at discovering what they have gone on to do approximately six months after graduating.
EPSRC	Engineering and Physical Sciences Research Council
FRS102	Financial Reporting Standard – single set of accounting standards developed by the Financial Reporting Council (FRC) that has replaced UK GAAP.
FTE	Full time equivalent - the hours worked by one employee on a full-time basis. The concept is used to convert the hours worked by several part-time employees into the hours worked by full-time employees.
General Council	Established by the Universities (Scotland) Act 1858 and consists of graduates and certain academic staff.
Governance and Nominations Committee	A committee of Court to advise on matters of governance and conduct reviews of the University's governance on its behalf.
GPU Processors	A graphics processing unit (GPU) is a specialised electronic circuit designed to rapidly manipulate and alter memory to accelerate the creation of images in a frame buffer intended for output to a display device. GPUs are used in embedded systems, mobile phones, personal computers, workstations, and game consoles. Modern GPUs are very efficient at manipulating computer graphics and image processing.

HERU	Health Economics Research Unit – a health economics research centre that delivers applied and methodological work to inform public health policy.
HSRU	Health Sciences Research Unit – with a national remit to research the best ways to provide health care and to build capacity in health services research within Scotland.
iCAIRD	The Industrial Centre for Artificial Intelligence Research in Digital Diagnostics (iCAIRD) is Scotland's artificial intelligence health research centre, which promises to enable better patient diagnosis, treatment and outcomes. iCAIRD will focus on the application of AI in digital diagnostics, ultimately enabling better and earlier diagnosis and more efficient treatment for patients.
KPIs	Key Performance Indicators – a measurable value that demonstrates how effectively an organisation is achieving key objectives.
May Festival	University organised event that welcomed over 13,000 people to 150 events.
MRC	Medical Research Council
MRI Scanner	Magnetic resonance imaging (MRI) is a type of scan that uses strong magnetic fields and radio waves to produce detailed images of the inside of the body. An MRI scanner is a large tube that contains powerful magnets. Patients lie inside the tube during the scan.
National Student Survey (NSS)	The National Student Survey (NSS) gathers opinions, from mainly final-year undergraduates, about their time in higher education. It is an influential source of public information about higher education and gives students a powerful collective voice to help shape the future of their course and their institution for current and prospective students.
NHSSS	National Health Service Superannuation Scheme (UK)
Opportunity North East (ONE)	Opportunity North East (ONE) is the private sector's response to the obvious and serious long-term economic challenges facing North East Scotland. The region has a strong, entrepreneurial and enterprising economy, but is very dependent on North Sea oil. The price downturn, which began in late 2014, has brought into sharp relief the issues of growth and the need for diversification and innovation in the regional economy. Collaborating with like-minded businesses, Scottish Enterprise, other partners and the international community, ONE will develop and accelerate high-impact opportunities. With an investment of £62 million over ten years from the Wood Foundation, ONE is industry led and privately funded and will use resources to catalyse partnership working and win co-investment and matched funding from the private and public sectors to achieve the Renaissance objectives.
OSCR	Office of the Scottish Charity Regulator – independent regulator and registrar of Scottish charities.

Pension Mortality Tables - SINA ["light"] YoB	Standard Year of Birth mortality tables used for USS pension scheme. Tables are based on Normal Health pensioners.
Policy and Resources Committee	A committee of Court to integrate academic, financial, estate and human resources planning and policy making, advising Court and Senate on long-term strategic objectives; and to oversee the operational performance of the University.
PURE	The University's web-based system to capture a wide range of research-related outcomes, impact and activities and promotes the University's research excellence to the wider community.
Remuneration Committee	A committee of Court to advise on matters relating to the pay and conditions of senior staff.
Research Excellence Framework (REF)	System for assessing the quality of research in UK higher education institutions.
RESAS	Scottish Government's Rural and Environmental Sciences and Analytical Services Division
Risk Management Framework	Conforms to globally recognised standards in risk management and widely accepted best practice.
Scottish Funding Council (SFC)'s Financial Memorandum	Sets out the formal accountability relationship between the SFC and institutions, and the requirements with which institutions are expected to comply in return of payment of grant by SFC.
Statement of Intent on Diversity	Adopted by Court within its membership, which includes a goal of achieving and maintaining female representation of a minimum of 25%, with aspirations to achieve 50% over the longer term.
Senate	Responsible for the regulation and superintendence of teaching and for the promotion of research.
SIMD20	The Scottish Index of Multiple Deprivation (SIMD) identifies small area concentrations of multiple deprivation across all of Scotland in a consistent way. It allows effective targeting of policies and funding where the aim is to wholly or partly tackle or take account of area concentrations of multiple deprivation. SIMD20 refers to the 20% most deprived data zones in Scotland.
SPF	Strathclyde Pension Fund
Strategic Plan 2015-20	Outlines the University's priorities for the five year period.
STSS	Scottish Teachers' Superannuation Scheme
Sunday Times Good University Guide 2019	The Times and The Sunday Times Good University Guide 2019 provides students and their parents with an invaluable first reference point on the path to finding a university place. It contains full profiles of all universities
THE World Rankings	An annual publication of university rankings by Times Higher Education (THE) magazine.

Times Higher Education University Impact Rankings	The Times Higher Education University Impact Rankings are global performance tables that assess universities against the United Nations' Sustainable Development Goals.
UASLAS	University of Aberdeen Superannuation & Life Assurance Scheme
UCAS	The Universities and Colleges Admissions Service (UCAS) is a UK-based organisation whose main role is to operate the application process for British universities.
UCEA	The University Council for Educational Administration (UCEA) is a consortium of higher education institutions committed to advancing the preparation and practice of educational leaders for the benefit of schools and children.
UK GAAP	UK Generally Accepted Accounting Principles
UKRI	United Kingdom Research and Innovation. An independent organisation that works with universities, research organisations, businesses, charities and government to create the best possible environment for research and innovation.
University of Aberdeen Oil & Gas Technology Centre	The Oil & Gas Technology Centre was established in October 2016 with £180 million funding as part of the Aberdeen City Region Deal. Its goal is to help maximise economic recovery from the UK continental shelf, anchor the supply chain in the North-East of Scotland, and create a culture of innovation in the region.
University Court	The executive governing body of the University that is charged with the administration and management of the revenue and property of the University.
USS	Universities' Superannuation Scheme

2019 Annual Report & Accounts

www.abdn.ac.uk

Scottish Charity Number SC013683

