

2018 Annual Report & Accounts



*Julie Mortimer
celebrates her success*

**Distance learning
student in the PGDE
DLITE**

BE IN THE KNOW

95.8% OF GRADUATES

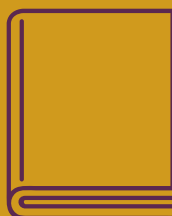


GO ON TO WORK AND/OR FURTHER STUDY
WITHIN 6 MONTHS*

Based on sample available to work - DHLE survey, HESA 2017



— *Founded* —
1495



SIR DUNCAN RICE LIBRARY

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

** CEO World magazine 2016



**OLYMPIC
STANDARD**
Aberdeen Sports Village

— *Associated with* —

FIVE
NOBEL PRIZES



120+
NATIONALITIES



— *Teaching* —
GAELIC COURSES
since the 18th century

14,500
STUDENTS

— *Almost* —
370
FIRST DEGREE
PROGRAMMES

75%
of research classified as
WORLD LEADING

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

— *Over* —
150
SPORTS CLUBS
— and societies —

— *Our students get* —
FREE WIFI)))
ON CAMPUS
and all around
— the city —

130
STUDENTS OF 14
NATIONALITIES
*enrolled at
Qatar campus*

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Welcome

In an organisation and community as complex, diverse and numerous as the University of Aberdeen, it is impossible to convey every development and event that has shaped another year in the life of this great institution. However, I hope this Annual Report will give you a flavour of how wide-ranging and exciting the achievements of the staff, students and alumni of this ancient university are. It includes some remarkable examples of how talented, how innovative and how inspiring a place the University is.

It is a community that in its make up and its impact, reaches out from its historic heart of Old Aberdeen across the globe. In so doing, it is probably Aberdeen's oldest example of an organisation that has used those strengths to succeed on a global stage, ensuring the City of Aberdeen is known internationally as home to one of the world's great seats of learning.

It is not without challenges. The great success of this University in being a truly global institution means Brexit may represent a potentially difficult issue for us in the years ahead. The funding environment is limited and the competition to attract students and the best staff is intense. In that environment, it is all the more vital that the University invests in its future – in its research, its teaching, its facilities, its staff, and its students.

That requires strong and thoughtful leadership to harness the many and diverse strengths of the academic community with the many partners and supporters the University has in the region, in Scotland and around the world. With the appointment this year of our new Principal, George Boyne, I have every confidence we have secured an individual who will provide that leadership and ensure the University continues to grow and thrive. It was a privilege for me to be

involved in the recruitment of George, a process which benefited from contributions from across our Court and the University community. We must also pay tribute to Sir Ian Diamond, for his remarkable commitment and contribution to the University since 2010. Being named as Scottish University of the Year and receiving the Queen's Anniversary Prize for Higher Education are two well-deserved successes on which to conclude his tenure.

My current term as Senior Governor comes to a close next year. Having overseen the transition in leadership of the University and with the requirements of the HE governance legislation coming into force, I have decided not to seek reappointment. I am incredibly proud to have served as Senior Governor of this wonderful institution, and as an Aberdeen graduate, I will certainly continue to promote the University's story and its many successes around the world.

I hope you enjoy learning more about our University's achievements in the pages that follow.



Martin Gilbert
Senior Governor

It is a great honour to have returned as Principal to a city and University which holds so many wonderful memories.

As a double graduate of this institution I know at first-hand what a positive student experience the University provides. This is a world-class seat of learning underpinned by its pioneering research and we are delighted that the University has been recognised as the 2019 Scottish University of the Year by the Good University Guide.

Leading an institution with a 500 year pedigree is a privilege. I am particularly pleased to have taken up post at a time when the University's excellence in research has been recognised with the Queen's Anniversary Prize for Higher and Further Education – awarded just once every two years for world-class excellence and achievement.

This annual report contains examples of the tremendous work underway at the University across the disciplines but by no means is a complete record of everything that has gone on during the reporting period – our highlights are simply too numerous. However, we hope this provides a flavour of the importance of our work here.

Our founding principles remain as strong today as they did in 1495.

Bishop Elphinstone's ambition was "to found a university, which would be open to all and dedicated to the pursuit of truth in the service of others" and it is clear to see that his guiding principle remains as true today as it did at our foundation.

From our very beginnings, the University had an international outlook and I was delighted to see the first students joining our Qatar campus.

From healthcare research changing the lives of patients, to countering the obesity epidemic, meeting global food challenges and tackling climate change, Aberdeen is at the forefront when it comes to big world issues.

The University continues to innovate when it comes to providing the teachers, doctors and many other professionals helping shape our society. It is also heartening to see so many initiatives underway which are making the University as open as possible and helping talented students reach their full potential.

A pedigree stretching back over five centuries also means the University has helped to shape the cultural landscape not only of the north-east but of Scotland, the UK and beyond. It is clear to see this remains a key tenet of University life and I look forward to enjoying the extensive contribution our staff and students make to the Arts in its broadest possible sense.

Of course, there are challenges across the spectrum of higher education, as well as other issues we must navigate, such as Brexit, and these mean we need to remain flexible and responsive. I am confident, however, that we will build on our firm foundations – and I thank my predecessor Professor Sir Ian Diamond for his commitment to establishing this strong base – to continue to move forward and progress so that Aberdeen remains a leader when it comes to excellence in teaching, learning, research and community impact.



Professor George Boyne
Principal

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 Strategic Plan

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



The University is now more than midway through the strategic planning period for 2015-2020 with good progress made towards achieving the high level aims and objectives set for the period. A number of key performance indicators with associated metrics were set for the planning period to monitor progress in meeting our ambitions in our key strategic areas and evaluate the implementation of the Strategic Plan. Performance against key metrics is monitored regularly and reported to University Court. The following table shows the University's status for each KPI listed, against the targets set via the institutional strategic planning process to the end of 2017/18. Progress against the plan has been colour coded: Green: target milestone achieved; Amber: significant progress made, approaching target; Red: target not achieved, further progress required. The change indicator show whether performance has improved, declined or remained the same during the planning period.

KPI	Target	Status	Change
Student numbers	Increase the number of overseas students at UG level	●	▲
Student numbers	Increase the number of overseas students at PGT level	●	▲
Student satisfaction	Increase student satisfaction with teaching in the NSS	●	▲
Student satisfaction	Increase student satisfaction with assessment and feedback in the NSS	●	▲
Positive destinations	Increase the number of graduates who go into graduate employment or further study	●	▲
PGR students per FTE	Increase the average number of PhD students per academic member of staff (FTE)	●	▲
Publications per FTE	Achieve the number of high quality publications required to enable a high quality submission to REF 2021	●	▲
Grant income per FTE	Increase average grant income per academic member of staff (FTE)	●	▲
Institutional surplus	Achieve financial sustainability and reduce operating deficit to zero by 2020	●	▲
Athena Swan	Renewal of institutional bronze award, all Schools to achieve bronze and at least one School to achieve silver by 2021.	●	▲
League table ranking	Enhance the University's performance in THE	●	▲
League table ranking	Enhance the University's performance in QS	●	▼

PEOPLE



KPI: People
Athena Swan:



By 2020 the University aims to have at least one School with a silver award so that it can apply for an institutional silver award in April 2020. 11 of 16 academic units held bronze awards at the end of 2017/18, all other Schools had submitted applications, and two silver applications were in progress.

People are at the heart of our Strategic Plan. We are committed to continuing to attract and retain the best staff and students from around the world and to fostering a caring and diverse culture promoting equality and diversity.

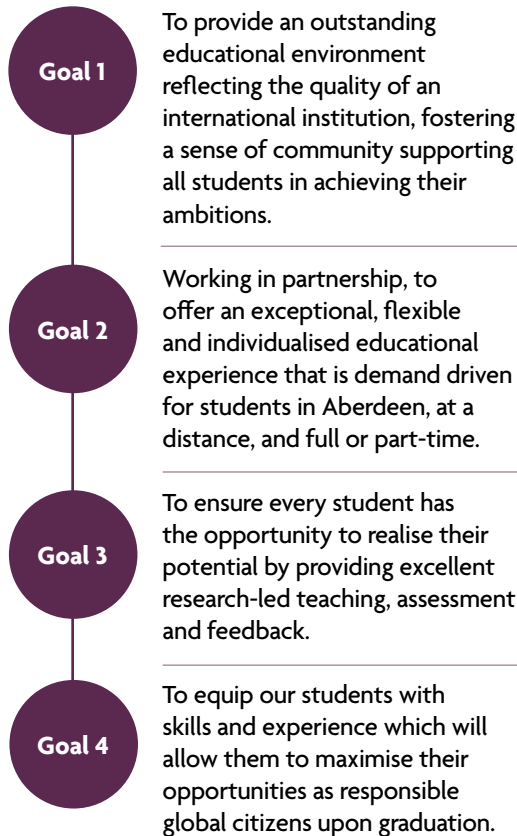
The University has in place a strategy for engagement with the Athena SWAN Charter which promotes and recognises commitment to gender equality as a key tenet of our efforts to enhance quality and diversity. Staff engagement with Athena SWAN has been exemplary. All academic units have submitted to the Scheme, and with 11 bronze awards at the end of 2017/18 and two Silver applications underway, the University hopes to apply for an institutional silver award in 2020.



All staff are required to undertake training in equality and diversity in the workplace with uptake around 85% at institutional level as at end of 2017/18, and the University continues to develop staff frameworks to support Equality and Diversity, including in respect of employment, training and career development of disabled staff. The University has a Gender Action Plan in place, which is designed to deliver the overarching aim of reducing gender imbalances in the student population at subject level, with initial focus on improving gender balance amongst our student populations in Education, Physics, Computing Science, and Psychology.

We also encourage equality and diversity through our many widening participation activities aimed at opening access to and supporting university entry from under-represented groups, such as students with caring responsibilities, students with disabilities, and students from areas of multiple deprivation in Scotland.

TEACHING AND LEARNING



KPI: Teaching and Learning**International student recruitment:**

By 2020 the University aims to have an international population of around 2500 students to support institutional growth and strengthen further our international reach. We have met milestones at undergraduate level and recruitment to postgraduate programmes is growing.

Our internationalisation strategy aims to attract the best staff and students from across the world, and encourages students to expand their horizons through language study and travel abroad. The University consistently ranks as one of the most international universities in the world and through our diverse student and staff population we are able to offer our students a truly excellent international educational environment. International recruitment has continued to grow in the planning period and in 2017 we opened our first overseas campus in Qatar in partnership with the Al-Faleh Group for Educational and Academic Services (AFG), to support our goal to offer flexible education to all our students wherever they may be in the world.

KPI: Teaching and Learning**Student satisfaction:**

The University aims to have achieved a satisfaction score of 92.4% (for teaching) and 76.4% (for assessment and feedback) by 2020, as measured in the National Student Survey (NSS). Our performance is on an upwards trajectory and we have met our milestones for satisfaction with teaching in 2017/18 (85.4%) and assessment and feedback (71.2%).

It is important to the University that our students have a positive experience while studying at Aberdeen and that they leave with the skills and experience needed to maximise their opportunities upon graduation. A key component of this strategy is digital enhancement and the delivery of an exceptional and personalised student experience. Student satisfaction amongst our undergraduate students has increased since the beginning of the strategic planning period; we have met our milestone targets and continue to perform above the UK and Scottish sectoral averages.

KPI: Teaching and Learning**Non-continuation rates:**

By 2020 we want at least 93.5% of our students to progress to year 2 of their studies (a non-continuation rate of no more than 6.5%). At the end of 2017/18 we had met our milestone and currently stand at 7.7% institutionally.

The retention of students is a key strand to our teaching and learning strategy and we continue to focus on increasing progression of students into second year of study. To meet the varying needs of our students, we are enhancing our teaching facilities, implementing a digital transformation strategy, and introducing a new online learning strategy, offering part-time study, short courses, CPD, online programmes, and Access courses, to allow more students around the world greater access and the opportunity to study flexibly via different modes of learning, including both blended and distance learning. As a result of our various initiatives to enhance teaching, we have seen a continued improvement in progression across the institution and we remain confident that we can meet the ambitious targets set for 2020

KPI: Teaching and Learning**Employability:**

By 2020, 82% of our graduates will either be in graduate employment or further study as measured by the Destination of Leavers in Higher Education (DLHE) survey. The University's performance has improved in 2017/18 and we met our targets, with the employability rate currently being 80.4%.

University of Aberdeen graduates have some of the best employment prospects in the UK and the University consistently boasts employability rates above the Scottish and UK-wide averages. We work close with industry partners, continuously reviewing our curriculum to meet the needs of both employers and students, and proactively support skills development to help our students to grow academically and socially so that they are ready to join the workforce upon graduation. The challenges facing the oil and gas sector in recent years has affected the employment prospects of some of our students but we are pleased to see signs of recovery in strengthened performance in the DLHE survey which surveys the number of students in the UK securing employment or embarking on further study.



RESEARCH

Goal 1

To strengthen our position as a world class, research intensive university, focusing on areas of excellence.

Goal 2

To increase the non-academic impact of our research on the world through an enhanced portfolio of knowledge exchange activities with industry, business and society.

KPI: Research

Grant income per staff FTE:

By 2020 we aim to have increased grant income per academic staff FTE. At year-end, the University was above target, at approximately 94K per FTE.

As a research intensive institution we continuously strive to enhance our research excellence. As part of this strategy we aim to increase annual research income generated through research, consultancy and other knowledge exchange income, to £63m by 2020 and to increase grant contribution per member of academic staff (FTE). Our research continues to have measurable impact on the world, we collaborate across disciplines and national boundaries, and have built strong relationships with industry, business and society. At institutional level, progress indicates a positive trajectory across the planning period, and we remain confident that we will meet overall targets for 2020.

KPI: Research

REF Period Publications for Eligible Academics

The University closely monitors milestone targets for the number of research publications compliant with REF standards. We are close to milestone targets with plans in place to increase the number of publications by 2021.

The next Research Excellence Framework exercise will be held in 2021. Institutional preparations are well advanced for submission to the REF to ensure we deliver excellent results, with close monitoring of research publications and recording of the societal impact that our research has.

KPI: Research

Number of PhD students per staff FTE:

By 2020 we aim to have increased the number of research students per staff member. Our numbers have been growing throughout the planning period and we are on target for 2017/18 with an average of 1.7 research students (FTE) per member of academic staff (FTE).

To enhance our research capabilities and ensure we remain at the cutting edge of research developments, the University aims to increase the number of postgraduate research students as measured through an enhanced ratio of postgraduate research students to academic staff. Milestone targets were met in 2017/18 with a steady growth in the ratio of research students in the planning period, both institutionally and across the majority of Schools.

Reputation

		2013	2014	2015	2016	2017	2018
To be in the top 100 universities in major international league tables by 2020	THE	188	178	172	188	185	158
	QS	148	137	137	141	158	172

While performance in league tables is an imprecise measure of excellence, the University monitors institutional performance in key national and international rankings with particular focus on the Times Higher Education (THE) World University Rankings and the QS World University Rankings. The University's position improved significantly in the THE this year, rising 27 places to 158 in the world. It was also voted Scottish University of the Year in the Times and Sunday Times Good University Guide published in September 2018. However, we ranked lower in the QS World Rankings and the University is pursuing a range of initiatives to address this, with a view to markedly improving our position by 2020.





ABERDEEN RESEARCHER LEADS £10.5M PROSTATE CANCER PROJECT TO ANSWER 'CRITICAL' QUESTIONS

A £10.5 million prostate cancer project led by the University's Professor James N'Dow will use big data to answer critical questions about prostate cancer. Prostate cancer is the most common cancer of men in Europe, representing 1 in 10 of all male cancer deaths. The project aims to plug the gaps in the knowledge of the management and treatment of the disease in order to provide better outcomes for patients. The PIONEER project, which incorporates 32 institutions and companies from nine countries, aims to create a single innovative data platform by integrating existing big data from many quality data sources from cancer patients across many different stages of the disease.



TACKLING FUNGAL INFECTIONS: FIRST STAFF APPOINTED TO CAPE TOWN AFGRICA UNIT

A new ground-breaking fungal infection research unit run by the University of Aberdeen and University of Cape Town appointed its first two scientists in July 2018. The AFGrica Unit is seeking to address the burden of serious invasive fungal infections borne by low and middle income countries, particularly in Africa, where around 50% of people diagnosed with invasive fungal infections die as a result of the infection. The first two scientists to have been appointed to the AFGrica Unit are Dr Liliane Mukaremera and Dr J. Claire Hoving.



UNDERSTANDING HOW THE HEART IS CREATED COULD HELP HEAL IT IN LATER LIFE

University researchers secured more than £1 million of funding from the British Heart Foundation to investigate how the heart is built in the womb. It is thought that better understanding of the process could help to develop drugs and techniques to repair it should damage occur in adult life.



NEW PROJECT TO TACKLE MAJOR CAUSE OF BLINDNESS

The University has teamed up with NHS Grampian to tackle a condition which is the fourth most common cause of blindness. The project was awarded £200,000 from the Chief Scientist Office and Fight for Sight charity to explore the use of cells from the body's own immune system to suppress autoimmune uveitis.



UNIVERSITY PARTNER IN £1.1 MILLION AI ACCOUNTABILITY PROJECT

The University will work in partnership with the universities of Oxford and Cambridge on a £1.1 million project to develop auditing systems akin to 'black box' flight recorders for artificial intelligence (AI) systems. Funded by the Engineering and Physical Sciences Research Council (EPSRC), the project aims to develop prototype solutions to allow developers to provide secure, tamper-proof records of intelligent systems' characteristics and behaviours. Professor Pete Edwards, who leads the multi-disciplinary team, said: "AI technologies are being utilised in more and more scenarios including autonomous vehicles, smart home appliances, public services, retail and manufacturing. But what happens when such systems fail, as in the case of recent high-profile accidents involving autonomous vehicles? How can we hold systems and developers to account if they are found to be making biased or unfair decisions? These are all real and timely challenges, given that AIs will increasingly affect many aspects of everyday life."



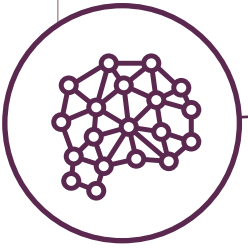
UNIVERSITY RECEIVES £1 MILLION TO FUND GREEN RESEARCH

The University was one of only ten universities across the UK to receive a prestigious Leverhulme Doctoral Scholarship Award of more than £1.1 million in project funding to establish a centre that will train a new generation of researchers to develop technologies that convert organic waste into sustainable materials. Their research will focus on the conversion of unavoidable organic waste into essential chemicals and materials (e.g. fuels, fertilisers, pharmaceuticals, construction materials) via anaerobic digestion followed by separation and chemical conversion of the products. Professor Judith Masthoff, who led the successful funding bid, said: "This is a fabulous achievement for the University and builds on our reputation for outstanding postgraduate research training."



FIRST-EVER PATIENTS SCANNED BY NEW GENERATION MRI SCANNER

A team at the University scanned the first group of patients using a ground-breaking 'Fast Field Cycling' MRI scanner in November 2017. The patients, who had all suffered strokes, agreed to be the first in the world to be scanned by the new machine, marking another milestone in the University's long association with MRI machines. Research group leader, Professor David Lurie, described the FFC scanners, which can switch their magnetic field, as 'like having 100 different MRI scanners in one'. He added: "This gives an extra dimension to the data collected from each patient, greatly expanding the diagnostic potential and conducting the first scans marked a major step towards our technology being adopted by hospitals to benefit patients, which is the ultimate goal of our research."



HIGHEST AWARD

for research that is changing healthcare across the world

PIONEERING RESEARCH that is informing government policy and transforming healthcare across the globe has earned the University of Aberdeen the most prestigious honour awarded to a UK academic institution.

Leading expertise at the University's Health Services Research Unit (HSRU) and the Health Economics Research Unit (HERU) has been recognised with the Queen's Anniversary Prize for Higher and Further Education – awarded just once every two years for world-class excellence and achievement.

Bestowed on the University as a whole, the Queen's Anniversary Prize was given for health service research leading to improvements in academic and clinical practice and delivery of health care.

HERU and HSRU – flagship units with a pedigree stretching back four decades - lead the way with their approaches which combine economic and clinical research to assess which medical treatments and policies are most effective for the NHS.

The directors of HSRU and HERU were among a University delegation that met and discussed their work with the Prince of Wales and the Duchess of Cornwall at a special presentation of the Prize at Buckingham Palace.

“Receiving the Queen's Anniversary Award is a tremendous honour for the University of Aberdeen and a superb acknowledgement of the





THE QUEEN'S ANNIVERSARY PRIZES FOR HIGHER AND FURTHER EDUCATION 2017

outstanding research excellence from HERU and HSRU,” said Professor George Boyne, Principal and Vice-Chancellor of the University of Aberdeen.

“We must take great pride in our researchers who have conducted more than 1,000 studies, involving 46,000 participants from 1,500 places worldwide. The results have changed clinical practice, government policy and legislation, and academic studies. These are remarkable achievements.”

Professor Elizabeth Russell, who played a key role in the establishment of the Health Services Research Unit and Health Economics Research Unit, added:

“The idea of focusing on the outcomes and value of medical treatments came from the late Roy Weir - a former Senior Vice-Principal at the University of Aberdeen, vice-chairman of the then Grampian Health Board and Scottish Chief Scientist. He was an innovator and a visionary who was concerned about what happened to patients after acute treatments had finished. Were they better off in the long run?

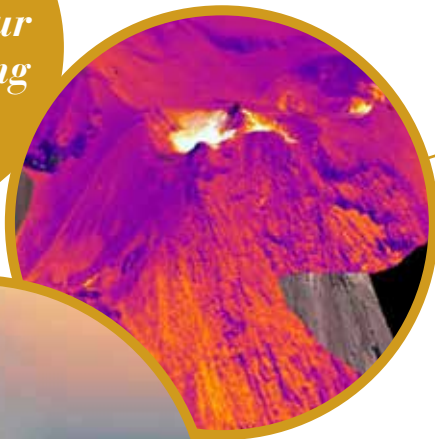
“At the same time, in the late 60s, there was an explosion in new treatments and a growing awareness that there wouldn't be enough money to do them all. The Units were the result. It was an idea whose time had come, and we were the first in the field.

“The Units, together and individually, have made an enormous contribution to the understanding and use of evidence in choosing how patients should best be treated so that the health service can be as efficient as possible.”

The medical care of millions of people all over the world is conducted in improved ways because of the research findings of HSRU and HERU. Their work has also helped guide key policies and legislation. Key examples of their work include:

- research and economic modelling which underpinned the ban on smoking in public places in Scotland. Their predictions proved correct, with subsequent studies showing substantial declines in childhood asthma, pregnancy complications and heart problems.
- research which was used to support the introduction of minimum unit pricing of alcohol in Scotland.
- provided evidence for the introduction of robotic surgery for prostate cancer. Previously, the balance of potential harms and benefits was unknown. Their research showed that robotic surgery was beneficial resulting in the purchase of surgical robots across the UK.
- gave evidence to the UK National Screening Committee for the decision not to introduce a national lung cancer screening programme.
- research into local variations in the competitiveness of public sector pay led to changes in the distribution of healthcare funding across the UK
- transformed nationwide antibiotic prescribing in general dental practice and produced a 7% reduction in annual antibiotic prescribing compared to usual practice.
- produced findings that led to the recommendation that women should not receive multiple embryos when undergoing IVF treatment. Previously several embryos were transferred to maximise the chances of success. But this led to multiple births and serious risks to mother and children. Research showed that the chances of success were not reduced when only one embryo was transferred. This is now accepted practice worldwide.
- recruited patients from five countries across the globe to glaucoma treatment trial that provided evidence that could transform the lives of 20 million patients worldwide.
- established the Cochrane Incontinence Group that has transformed the international evidence base for the management of incontinence
- devised new methods of gathering public preferences which have helped develop patient-centred care.
- found new ways to test the benefits of new surgical procedures and included patient's views when evaluating medicines and treatments. This has been widely adopted by national and international policy makers.

Advancing our understanding



BONE STUDY SHEDS NEW LIGHT ON THE HISTORY OF BRITAIN'S WEANING HABITS

Archaeologists from the University led a significant new study on the history of Britain's weaning habits and discovered that the early cessation of breastfeeding is not rooted in the Victorian era, as commonly perceived, but as early as the 16th and 17th centuries. Working in partnership with archaeological scientists from the University of Reading, researchers used a method called stable isotope analysis of bone, in order to reconstruct the typical age at weaning of individuals buried at Aberdeen's St Nicholas Kirk, in the 12th to 18th centuries. This work has enabled archaeologists to gain greater insights than ever before into how infant feeding habits evolved over the centuries in a single city.

SCIENTISTS CREATE WORLD'S FIRST 3D THERMAL IMAGE OF VOLCANO

Scientists from the University created the world's first 3D thermal image of an active volcano. Working alongside geologists from the University of Oslo they used drone technology to develop a technique that can detect subtle changes in the behaviour of the volcano, providing more accurate information on the likelihood of an eruption. The research team's ultimate aim is to develop a fully automated drone monitoring system that is more accurate, safer and cheaper than current methods, which are unaffordable in developing countries where many of the world's active volcanoes are located. Professor John

Howell said: "Drone technology is moving so fast that we could have a system fully up and running in a few years. Being able to send a low cost portable drone unit to any volcano around the world could really revolutionise how we monitor volcanos and be a game-changer for the people who live and work in their shadow. Ultimately this technology could help us build a much better idea of how volcanoes behave and in the future could save lives."





NEW RESEARCH REVEALS BRITISH ISLES BURIED UNDER ICE SHEETS FROM 2.5 MILLION YEARS AGO

Breakthrough research led by the Universities of Aberdeen and Manchester revealed the British Isles were repeatedly submerged under an ice sheet extending to the centre of the North Sea over a million years earlier than previously thought. By analysing sediment cores and seismic data from deep beneath the North Sea, they discovered that extensive ice sheets repeatedly covered much of the UK and Ireland from 2.5 million years ago. Before their findings were published in the journal *Scientific Advances*, the scientific consensus had been that glaciation on this scale first occurred in the North Sea about 1.1 million years ago. Dr Brice Rea, who led the project, said: "Our findings completely change our understanding of how far back in time large ice sheets covered the British Isles and merged with ice from Scandinavia."



'VIKING AGE DESTRUCTION' FOUND TO HAVE PRESERVED KEY PARTS OF SCOTLAND'S LARGEST PICTISH FORT

Archaeologists continued excavations at Burghead – Scotland's largest Pictish Fort – and discovered that 10th century fire razing, which is often attributed to Vikings, has actually preserved large parts of the structure that would normally have rotted away. The team, led by Dr Gordon Noble, uncovered a huge timber laced wall which would have stood more than six metres high. They have now samples for carbon dating which should provide new insights into the period when the fort was built, its construction and final destruction.



'CLUB FOOT' GENE IDENTIFIED

A gene which could play a role in causing the most severe cases of club foot was identified by scientists at the University. The condition currently requires lengthy and difficult treatment but even after this treatment the foot can bend back, meaning a more invasive surgery is required. The identification of the gene using a mouse model could help to identify those for whom the treatment is least likely to be successful. Professor Martin Collinson said: "In theory if we could screen children for these genes before treatment starts, then they could avoid years of unnecessary interventions."





SCIENTISTS REVEAL NEW INSIGHT INTO TACKLING OBESITY

Scientists at the Rowett Institute have discovered a tiny group of brain cells that could be harnessed to tackle obesity. Their work, published in Cell Metabolism, used sophisticated techniques to turn on the cells, which are found in the nucleus of the solitary tract and work to integrate food intake information from the gut, to reduce food intake. Lead scientist, Professor Lora Heisler, said: "Today, approximately 60% of people in the UK are overweight and 1 in 4 are clinically obese. Because obesity is linked to serious medical illnesses such as heart disease, cancer and diabetes, we urgently need to discover new strategies to tackle obesity to improve health in the group of people where diet and exercise alone have not been effective. Our discovery opens the door to new medications that could be developed to control appetite and improve health."



NEW STUDY FINDS THAT FAT CONSUMPTION IS THE ONLY CAUSE OF WEIGHT GAIN

Scientists from the University worked in partnership with the Chinese Academy of Sciences on the largest study to date examining what components of diet - fat, carbohydrates or protein - caused mice to gain weight. Professor John Speakman, who led the study, said the results were unequivocal – the only thing that made the mice get fat was eating more fat in their diets. Though the work was based on mice rather than humans, it enabled scientists to pinpoint the roles of these elements more clearly and the team say that similarities in physiology and metabolism mean the research provides 'a good clue to what the effects of different diets are likely to be in humans'.



PINE MARTENS CONFIRMED AS KEY TO REVERSING GREY SQUIRREL INVASION

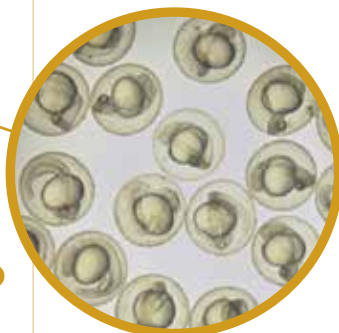
University scientists collaborated with the Waterford Institute of Technology and the University of Massachusetts Amherst to show that pine martens can help in the conservation of red squirrels - by reversing the spread of invasive grey squirrel populations. The study, which was led by Dr Emma Sheehy and Professor Xavier Lambin from the School of Biological Sciences, used DNA forensics and state of the art analyses to test the hypothesis and confirmed that the relationship between red and grey squirrels in the UK is clearly altered in the presence of a native predator.





COMMONLY PRESCRIBED MEDICATION LINKED TO STROKE

Researchers from the University found that medication routinely prescribed for common complaints including allergies, heart disease and Parkinson's has been linked to an increased risk of stroke. Their study, published in *The International Journal of Epidemiology*, showed for the first time that patients treated with drugs with anticholinergic side effects have a 60% increased risk of stroke. Senior author of the study, Professor Myint, said: "This is the first study of its kind, and as stroke is a potentially preventable condition, we feel the possible identification of a new modifiable risk factor would have a significant impact on the global burden of stroke. In addition, our findings are particularly relevant to clinicians and healthcare providers involved in prescribing and managing patients' medications."



CONTROVERSIAL PREGNANCY TEST DRUG SHOWS DEFORMITIES IN ZEBRAFISH EMBRYOS WITHIN HOURS OF EXPOSURE

The components of a controversial drug, allegedly linked to birth defects in the 1960s and '70s, caused deformations to fish embryos just hours after they received a dose, new studies by researchers at the University revealed. Primodos was a hormone pregnancy test used by thousands of women in the UK between 1958 and 1978. Dr Neil Vargesson, who led the study published in the *Scientific Reports* journal, said: "Our experiments with the zebrafish embryos shows quite clearly the effects the Primodos components have. This does not mean it would do the same in humans of course, we are a long way from saying that but we need to carry out more research into these components because they are still in drugs today and in some cases in much higher doses than those found in Primodos."



ANTARCTIC LANDSCAPE INSIGHTS KEEP ICE LOSS FORECASTS ON THE RADAR

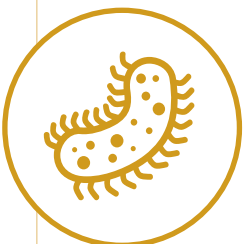
Scientists from the University contributed to the publication of the results of the most detailed survey to-date of the landscape beneath thick Antarctic ice that researchers say will be a valuable resource in understanding how ice draining into the ocean contributes to global sea level rise. Radar surveys of the land beneath Pine Island Glacier, obtained by snowmobile, revealed a surprisingly diverse, mountainous landscape under the ice. The collaborative findings, published in *Nature Communications*, are significant as Pine Island Glacier is the fastest melting glacier in Antarctica and currently accounts for up to 10 per cent of global sea level rise.





SILK COULD BE USED TO REPAIR DAMAGED SPINAL CORDS

Working in collaboration with Oxford Biomaterials Ltd, University researchers discovered that modified silk from Asian wild silkworms could be used in a strategy to repair damaged spinal cords. Their work, published in the Nature journal Scientific Reports, found that cleaned, sterilised silk from the *Antheraea pernyi* (AP) silk spinner had properties well suited to spinal repair. The modified silk would act as a 'scaffold' that bridges the spinal injury cavity, supporting nerve growth across a damaged region and minimising inflammation. Their new demonstration that AP silk possesses a portfolio of matched material and biochemical characteristics suited for spinal repair is a potentially important step towards the 'holy grail' of medicine, the repair of the central nervous system. Dr Wenlong Huang, said: "These are still early bench-based studies but they certainly seem to show that AP silk has fantastic properties especially suitable for spinal repair and we look forward to researching this further."



CHEMOTHERAPY PAIN COULD BE EASED BY JETLAG DRUG, STUDY SUGGESTS

Painful side effects from cancer medicines could be tackled with a drug that eases the effects of jetlag, University research suggests. The drug – known as melatonin – appeared to prevent pain caused by chemotherapy damage to nerves according to the study carried out in partnership with the University of Edinburgh. The team focused on a common condition known as chemotherapy-induced neuropathic pain (CINP), which causes tingling and pain sensation to touch and cold temperatures that can be severe enough to cause patients to limit their chemotherapy treatment. Their study, published in the Journal of Pineal Research, showed melatonin did not alleviate pain when CINP had already developed, suggesting that its potential benefits could be as prevention rather than cure. Professor Helen Galley, who co-led the study, said: "These results are promising, especially as melatonin treatment is known to be safe in other conditions. However, more work will need to be done before we know if melatonin will help prevent pain in cancer patients undergoing chemotherapy."



NEW INSIGHT INTO BODY'S RESPONSE TO KILLER FUNGUS

Scientists at the University made a new discovery that could help in the fight against a fungus that kills around 200,000 people every year and causes lung and allergic diseases in millions of others. Their study, published in Nature, identified a novel mechanism which responds to an 'unexpected' part of the fungus *Aspergillus fumigatus* - one of the most feared complications for patients undergoing treatments such as transplantation as it can lead to an invasive infection – which then triggers the immune system. Professor Gordon Brown said: "Understanding how our immune system responds to this invader is crucial to improving our ability to identify its presence in infected people and to develop therapies to help us treat this disease."

*For the
benefit of
others*



CANCER RESEARCH CYCLE RAISES MORE THAN £25K

A team of cyclists from the University completed the North Coast 500, raising more than £28,000 to support cancer research in the process. The team, consisting of University staff, NHS Grampian staff and other partners were joined by record breaking round-the-world cyclist Mark Beaumont on the trip around Scotland's northern coastline. They completed the trip in eight days and even stopped to hold cancer research and information evenings along the route. Their efforts contributed to

a major fundraising initiative to raise £4.5 million for the development of a new world class cancer research team at the University to develop a programme for cancer research which will save and improve countless lives. Already at the leading edge in a range of different cancer specialisms, the new research team will accelerate vital research to improve how cancer is diagnosed, treated and prevented.

UNIVERSITY MUSIC LABEL RAISES FUNDS FOR 'BROKEN HEART SYNDROME'



The University of Aberdeen's record label, Vox Regis, launched a new CD which will help raise funds for vital research at the University. Exiled: Music by Philips and Dering is a celebration of music by two exiled English

Catholic composers, whose pieces are featured in the scholarly series, Musica Britannica. Sales of the disc raise funds for research into Takotsubo syndrome, commonly referred to 'broken heart syndrome, a condition where a person's heart suffers physical symptoms similar to a heart attack as a result of intense emotional trauma. Researchers at the University are pioneering new studies into the causes, effects and possible treatments for the potentially fatal condition.

UNIVERSITY TEAM TAKE ON GREAT ABERDEEN RUN IN MEMORY OF A FORMER COLLEAGUE



A 20-strong team of runners took on a charity challenge in memory of a beloved colleague and raised more than £11,100 for brain tumour research. The team took part in the Great Aberdeen run in tribute to Sue Richardson, former Director of Finance, who passed away in May 2018 after a relatively short battle with brain cancer. Sue loved running and had been planning to take part in the Great Aberdeen Run until she became unwell. Colleagues ran either the 10K or half marathon, and said the latter was particularly poignant as the route took in the University campus.

MEDICAL STUDENTS RAISE THOUSANDS FOR CHILDREN'S CHARITY



Aberdeen medical students have raised thousands for a North-East children's charity by hosting a sports tournament for all Scotland and Northern Ireland medical schools. More than 1200 students from Dundee, St Andrews, Edinburgh, Glasgow and Queen's Belfast universities' medical schools competed in the annual Scottish and Northern Irish Medical Schools sports tournament (SNIMS) in November. The students competed in football, rugby, netball, basketball, volleyball, hockey, badminton and squash with the Aberdeen University Medical Society team winning overall and raising £3400 for children's charity Charlie House in the process.

DEDICATED TO THE
PURSUIT OF TRUTH

Revolutionising the future of aquaculture

The University of Aberdeen is leading the fight against ‘natural born killers’ which have the potential to devastate food supplies across the globe.

THE UNIVERSITY is home to one of the world's largest research laboratories investigating a group of so-called water moulds - oomycete pathogens - which cause destructive diseases in thousands of important species of plants and fish.

One particular oomycete, *Phytophthora infestans*, has a reputation as the most destructive plant pathogen in human history as it blighted potato crops leading to widespread famine in Ireland and the UK in the mid-1840s. Another water mould, called *Saprolegnia* is a major killer of millions of fish around the world, annually, particularly in farmed salmon, but University research could help bring this to an end.

The Aberdeen team, led by Professor Pieter van West, has taken major steps towards the creation of a fish-friendly vaccine which could transform aquaculture around the world.

Professor van West explains: “Fish need to be protected against a range of bacteria and viruses which can quickly devastate entire farms. Currently the best way to do this is to inject each fish individually – and we are talking about millions and millions of fish each year”.

“Not only is this time consuming and not particularly pleasant for the fish, the act of injecting them with a needle makes them very susceptible to *Saprolegnia*. Indeed, a considerable amount of fish die because of this vaccination approach”.

“At Aberdeen, we have taken major steps forward in creating a new immersion vaccination method whereby the fish would swim in a solution which contains the vaccine, eliminating the need to inject and allowing farmers to immunise thousands of fish at a time.”

The vaccination is based on the discovery by the team of a key protein that can enter the fish and deliver an antigen which subsequently promotes a natural antibody response in the fish and could therefore provide them with protection against bacteria and viruses.

Professor van West continues: “We now know that it is possible to administer a vaccine through the water and that this promotes the natural defences of the fish but we do not yet know whether the antibodies produced are sufficient to protect them completely.

“We will be testing this more fully in the coming months. If successful, the findings could revolutionise aquaculture across the world.”

The researchers are also working on a range of tools which enable farmers to better predict when an outbreak of *Saprolegnia* is likely to strike, allowing them to take action before it is too late.

Multi-Million Pound Decommissioning Centre for Excellence Announced

THE UNIVERSITY OF ABERDEEN AND THE OIL & GAS TECHNOLOGY CENTRE will create a new multi-million-pound Decommissioning Centre of Excellence to tackle current and future challenges with world-class research and development in partnership with industry.

Over the next decade, around 100 platforms and 7,500 kilometres of pipeline on the UK Continental Shelf are forecast for decommissioning, with costs estimated to be £59 billion to 2050. The industry aims to reduce this figure by 35%, a target set by the Oil & Gas Authority.

INDUSTRY
CHANGING
ACHIEVEMENT



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.

Scheduled to open in late 2018, the Centre will be based at the University's Oceanlab facility, located in the Energetica corridor, which stretches from Aberdeen to Peterhead. Recruitment will begin in the coming months, with a team of around 15 people initially expected.

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."

Cllr 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."



BACK TO THE CLASSROOM FOR TEACHING GRADUATE JULIE

35 students graduated from a University initiative which aims to help people achieve their aspirations of becoming teachers via flexible learning while working full-time – bringing the total to qualify through the scheme to 130. The spirit of the PGDE DLITE course was embodied by mum of two Julie Mortimer, who graduated in June having completed the course at the same time as caring for her disabled daughter Naomi, who requires round-the clock care, and working as a family support worker throughout her studies. Julie's passion to teach shone through despite the difficulties and late nights balancing her workload. She said: "When out on placement, I had such positive experiences and very encouraging feedback from staff and children alike. I loved being in the class teaching, and it is truly rewarding to see each child's learning journey and the difference it makes to their life."



ABERDEEN AWARDED EXTRA STUDENT MEDICAL PLACES

The University won funding for 30 additional medical students on the back of innovative teaching practices. The additional support from the Scottish Government will promote the training of more GPs and enable existing healthcare professionals to enter medicine. The initiative will include more involvement of GPs in teaching and assessment and enhanced GP placements in deprived and rural settings. Professor Steve Heys said: "This is fantastic news for the North East and North of Scotland. We have spearheaded a number of innovative initiatives to encourage more medical students to pursue a career as a GP when they graduate and we have worked hard to develop programmes to assist those who may never have considered a career in medicine before to be able to apply. We are delighted that the fantastic work we are doing with our medical students has been recognised and rewarded."



UNIVERSITY LAUNCHES PRE-MEDICAL COURSE IN SRI LANKA

The University launched its first 'in-country' pre-medical qualification in Sri Lanka, where students will be able to obtain a pre-medical award studying in the nation's largest city, Colombo. Students who complete the Pre-Medical Programme will be eligible to apply to the University of Aberdeen Medical degree programme which is accredited by the UK General Medical Council (GMC). Within the next two years it is hoped Sri Lankan students will also be able to apply to study medicine in Aberdeen before returning to Sri Lanka to complete their clinical training whilst graduating with a degree from the University of Aberdeen. Professor Steve Heys said: "We have found over the years that people who may never have even considered a career in medicine can go on to make some of the very best medical students. All they need is the appropriate guidance, support and learning, and this is what this new pre-med course will aim to provide."





UNIVERSITY WELCOMES FIRST STUDENTS TO QATAR CAMPUS

The University welcomed the first students to its campus in Doha, Qatar in September. A total of 130 students of 14 nationalities enrolled to study business degrees – 60% of them women. The University is the first UK University to have a dedicated campus in the Gulf State offering mainstream degrees and the Qatar campus is intended to provide more educational opportunities for women and men who may not otherwise have the chance to participate in higher education.

It was described at the launch as 'a milestone in the history of the University of Aberdeen'. The campus is part of the University's commitment to provide a transformational learning experience to citizens in countries where these opportunities cannot be taken for granted, allowing as many people as possible to benefit from the world-class Aberdeen educational experience.



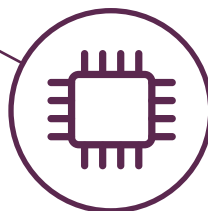
STUDENTS FROM LESS ADVANTAGED AND RURAL BACKGROUNDS GIVEN MEDICAL SCHOOL OPPORTUNITY

The Gateway2Medicine (G2M) is a pioneering course that gives the most promising secondary pupils from rural areas and less advantaged backgrounds a unique opportunity to study a medicine degree at Aberdeen. The G2M is a joint initiative by the University of Aberdeen and North East Scotland College (NESCOL) which aims to break down barriers for young people from less advantaged or more remote areas in Scotland, such as a lack of subject availability or work experience opportunities. All 21 students who enrolled on the course are now studying medicine at Aberdeen with a further 20 following in their footsteps on the 2018 intake. Professor Steve Heys, Head of the University of Aberdeen's School of Medicine, Medical Sciences & Nutrition said: "We believe widening participation in medicine is key, both to address inequality for those from social and geographically disadvantaged situations and to create a diverse environment that benefits all our students and medical practice in Scotland."



INSPIRATIONAL YOUNG PEOPLE SHINE AT CHILDREN'S UNIVERSITY GRADUATION

More than 70 young people graduated from Aberdeen's Children's University in 2018. Proud parents, teachers, University academics and representatives of the Children's University and Aberdeenshire Council joined the young graduates to help celebrate their achievements in June. The Aberdeen Children's University was set up in January 2015 to enable young people aged seven to 14 to widen their skills and interests, while providing a new and innovative route towards further and higher education. The programme encourages children, particularly those from disadvantaged backgrounds, to be inspired to take part in new challenges and activities. Youngsters are required to complete at least 30 credits of learning before their graduation. This year's graduates were from eight local schools: Fraserburgh Academy, Peterhead Academy, Mintlaw Academy, Mackie Academy, Clerkhill Primary, Rosehearty Primary, South Park Primary, and St Fergus Primary.



WIDENING ACCESS INITIATIVE GETS SEAL OF APPROVAL FROM COLLEGE GRADUATES

The University hosted its first Engineering Transitional Summer School to prepare college graduates for life at the University of Aberdeen. The two-week summer school focused on four key areas - mathematics, computer programming, materials science and integrating into university life.

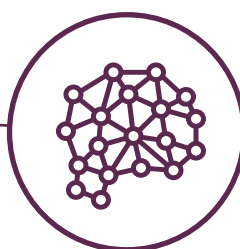
Matthew Drummond, was one of the 19 students on the summer school, he studied Engineering Systems at Moray College and was transitioning into the third year of an Electrical and Mechanical Engineering MEng degree. He said that the summer school was invaluable in preparing him for what lies ahead: "When I first applied to come

here from college I was delighted to be accepted, and the fact that the University has held the summer school has shown me why it has been the right decision. I've learned so much over the past two weeks and even though it has been intense I feel prepared and ready to hit the ground running."

Dr Sally Middleton, HE Progression Routes Manager at the University of Aberdeen, helped deliver the summer school programme alongside colleagues from the School of Engineering. She said: "The University has made great advances in the number of routes we offer to college students who wish to study to degree level, with articulation routes in partnership with colleges across Scotland. The transition between college and university can be daunting, and that is why we held the summer school to prepare students for their academic studies and university life in general."

INNOVATIVE ONLINE COURSES BREAKING DOWN BARRIERS FOR SCOTLAND'S FUTURE TEACHERS

As Scotland looks to address challenges in teacher recruitment, a new initiative is helping would-be teachers to overcome a barrier preventing well-qualified candidates from entering the profession. The University has introduced a pioneering Online Access course to allow those who want to teach gain pre-requisite qualifications in Maths and English. The flexible course, which has no set start or end dates and can be completed as quickly or slowly as the student wishes, allows those who have enjoyed successful careers in other industries to gain the literacy or numeracy skills needed to gain access to a Professional Graduate Diploma in Education (PGDE) course. The School of Education is also helping experienced teachers from Further Education and other countries to gain recognised Scottish teaching qualifications while working in partner schools through a new PG Certificate in Educational Studies.





CELLBLOCK SCIENCE

The University is part of a ground-breaking public engagement programme, Cell Block Science, to deliver informal science learning to prisoners. Members of the Public Engagement with Research team and a number of academic staff have made regular visits to HMP Grampian in Peterhead to host sessions with prisoners on a range of topics including smoking and vaping, health and nutrition, the importance of exercise and managing chronic conditions, building medicines and archaeology. A total of 64 prisoners, both male and female, took part in the scheme which will continue next year and is funded by the Wellcome Trust. University staff also organised a family event to help engage the children of prisoners in science learning.



UNIVERSITY RECOGNISED WITH CARERS AWARD

The University became one of only three higher education institutions to win a top award for the support it provides to students who have caring responsibilities, receiving the Carers Trust's Going Higher for Student Carers Recognition Award. In 2017 the University introduced its Student Carers Policy and Action Plan, which was developed in consultation with the Carer's Trust and offers a range of support to carers during both the application process and throughout their studies.



UNIVERSITY SECURES THREE NEW ATHENA SWAN AWARDS

Three more University departments - the Institute of Medical Sciences, the School of Geosciences and the School of Engineering have received the Athena SWAN Bronze Award. Advance HE's Athena SWAN Charter recognises commitment to the advancement of gender equality in academic, professional and support roles, and recognise departments and institutions taking action to identify and overcome barriers to career progression for all. The University has made significant improvement in the working conditions of its staff, and 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 an selection committees have a balanced gender representation.



FREE ACCOMMODATION

Students from some of Scotland's most deprived areas benefitted from a free place in the University's halls of residence for their first year. In 2017-18, 33 students took up the offer of free accommodation. Feedback for the scheme was very positive and one student said: "I greatly benefited as it reduced the financial burden of accommodation for my first year and took away one of the pressures of moving away from home and to University."





Returning Alaska's LARGEST archaeological haul

A huge collection of artefacts ‘frozen in time’ which offer a unique insight into the indigenous people of Alaska have been returned to the region by the University of Aberdeen.

ARCHAEOLOGISTS FROM THE UNIVERSITY

have spent more than eight years painstakingly recovering and preserving everyday objects that indigenous Yup'ik people used to survive and to celebrate life – in a race against the clock before melting permafrost and raging winter storms reclaim the Nunalleq archaeological site.

Dating back more than four centuries, their finds include wooden ritual masks, ivory tattoo needles, and even a belt of caribou teeth, all preserved in ‘extraordinary condition’. The 2018 dig offered new insights into Yup'ik pre-contact architecture with the team identifying previously unknown building structures and items from inside the homes such as early lamp holders made of grass.

This summer archaeologists and museum staff from the University also worked with The Qanirtuuq Native Village Corporation to put the finishing touches to the first exhibition at a new culture centre which will enable the artefacts – the largest collection ever recovered from Alaska - to be displayed in their place of origin.

Dr Rick Knecht, from the University of Aberdeen, who is leading the project explains: “The unique conditions in this arctic region mean artefacts which are more than four centuries old have retained an unbelievable level of detail.

“We have uncovered grass baskets and mats made when Shakespeare walked the earth but when we take them out of the ground the grass weaving still retains a trace of its green colour and we have been amazed by the variety and intricacy of the woven patterns.”

Once removed from the earth, however, the artefacts begin to deteriorate quickly and it is for this reason that Dr Knecht and his team transported more than 60,000 items to the University of Aberdeen, where professional conservators oversaw preservation treatments on the items.

“When we began the project, it was impossible to conduct conservation work on site and the items recovered were transported, some still covered in earth, to Aberdeen.

“The long-term goal, however, has always been to return them to where they belong and that has become possible with the opening of the new Nunalleq Culture and Archaeology Center.”

The centre in a converted former school is also home to a laboratory that will allow the artefacts to be preserved locally from now on.

Dr Knecht added: “This is one of the largest collections ever recovered from a single site Alaska, and perhaps even the whole Arctic region and is of huge significance as it now accounts for more than 90 per cent of everything we know about pre-contact Yup'ik, one of the major indigenous groups in North America.

“We are delighted to be working with the Quinhagak community to ensure that these vital artefacts related to their lives can be shared in the place they belong.”

Dr Charotta Hillerdal also worked on the project and said that it was a wonderful moment to share in the opening of the Center with local people.

“To have a collection of artefacts of this size now in the ownership of the community from which they originate is very unusual and it was fantastic to see them returning and taking their place at the centre of the new culture center.

“We have now finished this phase of digging but will continue to work closely with The Qanirtuuq Native Village Corporation and to develop educational materials which can be used to help make our archaeological work accessible to local children.”

Crystal Carter, a Quinhagak resident who worked alongside the team over the summer, said: “The archaeologists digging and discovering our people’s history have definitely helped us creating a bridge to link back to our way of life, customs of life, and rules of life. With each discovery, stories and answers unfold from generations to generations. Our ancestors have passed on many values of life through what they’ve had before us and how they made use of everything that was available to them. Tells us they had respect to the lands animals, plants, waters, creatures, skies; life. We shall unify and stand for what we’ve inherited from our ancestors.”

Awards and achievements

HEART MURMUR WEBSITE BAGS MEDICAL STUDENT AWARD



Aberdeen medical student Duncan Ritchie won the Sidney Linton Prize for Medical Education in Cardiology from the Royal Society of Medicine for an innovative website he set up about heart murmurs.

The site was initially developed by Duncan at the end of his first year as a training tool for other medical students and covers a wide range of aspects about heart murmurs including audio files of what they sound like and quiz questions. Professor Alan Denison said: "Congratulations to Duncan on this fantastic award. We are always keen to implement innovative teaching methods and this is a great example of one of our students using his own initiative and experience of a subject to create a resource that can help many for years to come."

ABERDEEN ACADEMIC NAMED FOOD AND DRINK SCIENTIST OF THE YEAR



The Rowett Institute's Dr Wendy Russell was named Food and Drink Scientist of the Year by the Food and Drink Federation (FDF).

INDUSTRY RESEARCH COLLABORATION RATED 'OUTSTANDING' BY INNOVATE UK



A collaboration between the University of Aberdeen and Aberdeenshire-based oil and gas firm Aubin Group was rated as 'outstanding' by Innovate UK, the UK's Innovation Agency. The Knowledge Transfer Partnership (KTP) focused on developing an underwater lifting system as a solution to technically challenging and costly subsea maintenance, commissioning and decommissioning operations. The research and development carried out

during the KTP resulted in the launch of the Aubin Underwater Lifting System (ULS) at the National Decommissioning Centre of Excellence – a partnership between the University and the Oil and Gas Technology Centre (OGTC) - earlier this year. Richard Neilson, from the University of Aberdeen's School of Engineering, led on the development. He said: "The University of Aberdeen is renowned for the strength of its industry partnerships, which are leading to the development of technologies that directly benefit the oil and gas industry. Our collaboration with Aubin Group is just one example of how we are working with industry to drive forward innovation in the sector."

ABERDEEN ACADEMIC RECEIVES PRESTIGIOUS AWARD FROM AMERICAN DIABETES ASSOCIATION



The Rowett Institute's Professor Lora Heisler was named as the recipient of the 2018 Outstanding Scientific Achievement Award (OSAA) from the American Diabetes Association in recognition of her research in identifying a new type of medication to improve type 2 diabetes.

TOP TEN FINISH FOR TAU RACING AT SILVERSTONE

The University's TAU Racing team continued to show its strength finishing in the UK top ten of a major global motor racing competition for the second year in a row. More than 100 teams from around the world took part in the annual competition, which challenges students to design, manufacture and race a single seat racing car, and the TAU team were ninth in the UK, 2nd in Scotland



and 15th overall in the Institution of Mechanical Engineering's (IMechE) Formula Student event at Silverstone race track.

UNIVERSITY PRO-CHANCELLOR HONOURED WITH KNIGHTHOOD



University of Aberdeen Pro-Chancellor, the Very Reverend Professor Iain Torrance, was honoured with a Knighthood in the New Year's Honours list. He was given the honour for services to Higher Education and Theology.

PROFESSOR JOHN SPEAKMAN BECOMES FELLOW OF THE ROYAL SOCIETY



Professor John Speakman was recognised as 'the world's leading expert in animal energy expenditure' when he was elected to The Royal Society. He was one of the 50 most eminent scientists from across the UK and Commonwealth recognised with the honour in 2018.

UNIVERSITY ACADEMICS INDUCTED INTO ROYAL SOCIETY OF EDINBURGH



Two leading academics from the University of Aberdeen were inducted into the Royal Society of Edinburgh. Professor Alison Murray, Roland Sutton Chair of Radiology at the University's School of Medicine, Medical Sciences and Nutrition, and Professor Joerg Feldmann, Chair in Chemistry at the School of Natural and Computing Sciences, were among 66 distinguished individuals elected to become RSE Fellows in February.

FUNDING AWARD FOR UNIVERSITY STARTUP



ABERDEEN ACADEMIC RECEIVES PRESTIGIOUS PRIZE AT SCOTLAND'S LIFE SCIENCES AWARDS



Dr Caroline Barelle was named the winner of the 'Rising Stars: Extraordinary Talent' category at Scotland's Life Sciences Annual Awards. Dr Barelle founded Elasmogen Ltd in 2016 and has rapidly established the company as a global biotech with an international profile and late-stage, pre-clinical products positioned to make a "sight-saving" difference in ophthalmology.

HISTORIAN RECEIVES NEW HONOUR FOR WORK ON POLISH HISTORY



The Polish Government presented a leading historian from the University with an award honouring his work on the country's history. Professor Robert Frost received first prize in

the Polish Foreign Ministry's inaugural competition for the best book promoting knowledge of Polish history published in a foreign language in 2015-2016. His book - The Oxford History of Poland-Lithuania volume 1, The Making of the Polish-Lithuanian Union, 1385-1569 - had previously received the Pro Historia Polonorum prize by the Polish Historical Association, a top literary prize.

KIM'S ON A HIGH AFTER TRAMPOLINE WORLD CHAMPIONSHIP SUCCESS



The moment Kim Beattie (far left) and her team GB teammates found out they had won silver.

University student Kim Beattie won a silver medal in the double mini trampoline (DMT) at the FIG Trampoline Gymnastics World Championships in Bulgaria. The engineering student and sports bursar, was competing as part of the four-strong DMT GB team at the event in Sofia. Her performance in the Scottish Student Trampoline Open (SSTO) in February, where she competed as part of Aberdeen University Trampoline Club, also saw her come first in the ladies pro-elite category and record the highest trampoline score of the competition.

An award-winning University startup was awarded nearly £100,000 to help fund the development of its new product. RAB-Microfluidics received £95,771 from Innovate UK, the UK's Innovation Agency, to help develop 'lab-on-a-chip' technology that aims to dramatically reduce maintenance and repair costs for heavy equipment. RAB-Microfluidics was formed by Rotimi Alabi, a former PhD

student in the School of Geosciences, who is receiving support through the University's ABventure Zone to develop the business. RAB-Microfluidics was also crowned overall champion at the University Startup World Cup 2017, held in Copenhagen, beating 70 other entrants to take the top prize in the competition's High-Tech category.

Making a GLOBAL IMPACT on health and education

A COMMITMENT TO CREATING educational opportunities for women lies at the heart of the University of Aberdeen's first international campus in Qatar, a fact underlined by Her Excellency Dr Sheikha Aisha bint Faleh bin Nasser Al-Thani when she visited Aberdeen to speak at the University's annual International Women's Day Conference earlier this year.

As Chairperson and founder of the AlFaleh Educational Group, the University's partner in the project, Shiekha Aisha is behind an initiative to provide more higher education opportunities for Qatari nationals.

Following its opening last year, 120 students have enrolled to study business degrees at the campus in Doha, the majority of whom are female.

The importance of providing such opportunities was outlined by Shiekha Aisha on her first ever visit to Aberdeen, where she spoke under the theme of this year's International Women's Day, 'Press for Progress'.



She also launched the University's new Centre for Women's Health Research, which will be based in the forthcoming £167 million Baird Family Hospital and Anchor Centre within the Foresterhill health campus.

The centre is one of two major fundraising initiatives by the University to further strengthen Aberdeen's expertise in both women's health and cancer research to create world-class centres of excellence.

The University has championed the transformation of women's health care for decades, building upon the legacy of Regius Professor of Midwifery, Professor Sir Dugald Baird, whose pioneering vision of interdisciplinary and integrated health and social care transformed reproductive health services in the city in the 1930s. He established the Aberdeen Maternity and Neonatal Databank (AMND) which still supports research studies around the world.

Eighty years on, the University is taking inspiration from his 'far-sighted and innovative programmes' with plans for the Aberdeen Centre for Women's Health Research.

The Research Centre will support the work of the new Baird Family Hospital which will be located within the Foresterhill campus, and offer maternity, gynaecology, breast screening and breast surgery, neonatal, and reproductive medicine services. The new hospital will also house innovative birthing units and theatre suite along with state of the art research and teaching facilities.

Professor Maggie Cruickshank, who is leading the project, says creation of the Centre offers a 'unique opportunity to embed today's pioneering clinical research alongside medical care.'

"Dugald Baird established the University's strong reputation in obstetric epidemiology and Aberdeen has gone from strength to strength leading important research into fertility, family planning, maternal health, cervical and breast cancer screening, postmenopausal health and osteoporosis

"Baird recognised that women's health plays a vital role in the future health of their children with poor maternal nutrition and other lifestyle factors impacting on generations to come.

"The mission of the Centre will be to develop innovative ways of understanding disease and to identify effective ways of caring for women and their babies not only across north-east Scotland but across the globe."

In addition to the Aberdeen Centre for Women's Health Research, the University has also launched a £4.5 million fundraising campaign to establish a world-class centre for cancer research.

The University, which already has an established track record in the fight against many forms of the disease, is seeking to attract the world's brightest minds to lead pioneering research work.

It has already attracted the support of Scottish charity Friends of ANCHOR, which has committed to raise £1 million for the project.

The centre will build on, and take to the next stage, the oncology research already underway at the University in areas including breast cancer, urological cancer and cervical cancer and aims to increase activity in other key areas such as lung, prostate and colorectal cancers.

It will also enable Aberdeen to develop further as a hub for vital clinical trials and to further enhance understanding of the role played by diet and nutrition and early-life and environmental factors in the development of the disease.

Professor Steve Heys, Head of the School of Medicine, Medical Sciences and Nutrition at the University and a breast cancer surgeon is spearheading plans for the oncology research team. He says: "The University has internationally renowned expertise in many areas of cancer research but this will enable us to take it to a new level and create opportunities for new drugs to be used here for the first time.

"The vision is to establish Aberdeen as a centre for world-class oncology research, capable of attracting and retaining the very best academic and clinical staff, which will lead not only to excellent patient care in the area but to pioneering research and high levels of participation in clinical trials which will have a global impact."



Enriching cultural life

CLASSIC FOLK COLLECTION RETURNS 'BACK HOME' TO A NEW AUDIENCE



A renowned folk collection featuring Doric ballads that had been curated in America for over 90 years was brought 'back home' to an online audience, thanks to a project led by the University. Academics from the University's Elphinstone Institute catalogued and edited the collection of James Madison Carpenter, a Harvard-trained scholar who collected a wealth of traditional songs, ballads and folk plays from performers in Britain,

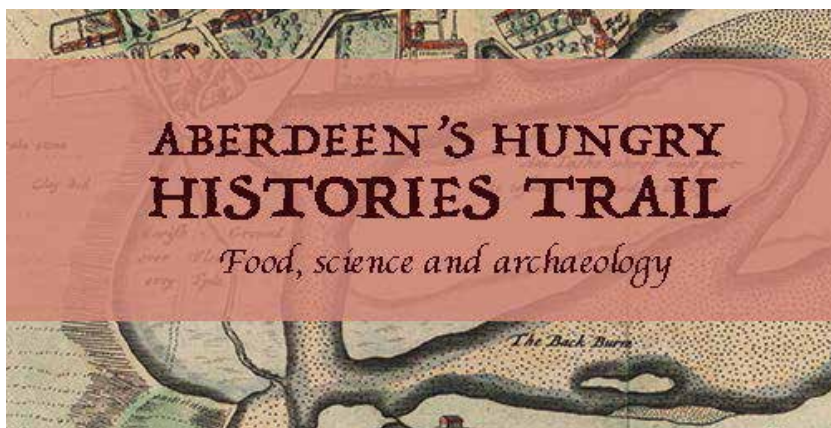
especially in Scotland, in the 1930s. The collection contains more than 3,000 traditional songs and 300 folk plays, as well as fiddle tunes, folk customs, children's games and traditional tales and games. It has now been added to the Vaughan Williams Memorial Library's comprehensive digital archive, an essential folk resource where it can be freely accessed by the families, communities and places where so much of it originated.

TAPPING INTO - AND SWIPING - THE PAST AT THE BENNACHIE COLONY



University research into a group of crofters who made their homes on the inhospitable slopes on Bennachie in the 19th century underpinned the creation of a new app to guide visitors around the north-east landmark. While around 150,000 visits to Bennachie are made each year, few are aware of the stories of the Bennachie Colony – the families who worked the ground, lived in the houses and, in some cases, were forced off the land as rents were imposed on them by the local laird. The Digital Bennachie Colony Trail app shows where their houses were and how the crofters made a living from the sparse hillsides. It includes a mix of archaeology and archival history along with stories, music, poems, a quiz and even recipes. Users can also explore the inside of one of the croft houses and see digital reconstructions of the crofting landscape. The app builds on the significant work the University has undertaken in recent years to uncover the archaeology of the Colony, record its oral and archival history, train volunteers and engage schools and the public.

FEEDING THE CITY'S APPETITE FOR THE PAST



Those with an appetite for Aberdeen's past can now explore how the diet of its inhabitants has changed over the centuries with the launch of the Hungry Histories Trail based on innovative University research. The trail was the culmination of a successful public engagement programme based on the work of archaeologists who are investigating bones and other material dating back to the Neolithic period to see what insights they can offer into changes in health, diet and even immigration in Aberdeen over the last thousand years.

CANALETTO YOU BELIEVE IT? PAINTING CONFIRMED AS HIDDEN TREASURE BY FAMOUS ARTIST



A painting gifted to the University of Aberdeen was identified as a £2 million work by a prominent Italian artist Canaletto - more than 150 years after it was donated. Senior lecturer in History of Art at the University of Aberdeen, John Gash, and leading Canaletto expert Charles Beddington identified

the work and their findings were published in *The Burlington Magazine* – the leading journal on fine arts. Mr Gash said: “It was often thought to be from the Canaletto school – that is, by one of Canaletto’s pupils or someone imitating his style, however I and others have long suspected it was a real Canaletto and now we have been able to confirm this. It is clear from the technique and the style, as in the language of forms and composition, that this is a Canaletto and is in fact an autograph work of the highest quality. Plans are now under way to put the painting and other related items on public display.

One of the world’s best known pieces of classical music, Handel’s ‘Messiah’, was heard in Doric for the first time - a unique musical collaboration between Professor Paul Mealor and Aberdeenshire author and translator Gordon Hay.

One of the world’s leading traditional music festivals, The North Atlantic Fiddle Convention, which was created by the Elphinstone Institute in 2001 returned to delight audiences in Aberdeen following successful stints in Canada, Ireland and Northern Ireland.

CONTRIBUTION OF ABERDEEN HISTORIANS TO A NEW ‘LANDMARK WORK’ RECOGNISED BY IRISH PRESIDENT



University academics played a key role in the creation of a new four volume work described as the most comprehensive and authoritative history of Ireland yet attempted. Edited by Professor Thomas Bartlett, Emeritus Professor of History, the landmark survey was launched at Dublin

Castle by Irish President Michael D. Higgins in May. The University’s Dr Colin Barr and Professor Michael Brown were among 100 leading historians from around the world who contributed to *The Cambridge History of Ireland* which presents the Irish story – or stories – from 600 to the present. Its four comprehensive volumes bring together the latest scholarship, setting Irish history within broader Atlantic, European, imperial and global contexts. Dr Barr, who contributed to a chapter concerning ‘The re-energising of Catholicism, 1830-1880’ said: “I hope this will make an important contribution to the ongoing history of Ireland and act as a springboard to future investigation.”

The University of Aberdeen’s Chamber Choir performed in the world’s largest music festival – the BBC Proms - as part of the BBC Proms Youth Choir in July.



THE THREE SHIPS REINTERPRETS TRADITIONAL NATIVITY

The University’s Paul Mealor teamed up with writer and broadcaster Sir Tony Robinson to create a joint composition entitled *The Three Ships*, a Christmas story which offers a unique interpretation of the traditional nativity. It was performed at a star studded Celebration of Carols event in London which also featured *Game of Thrones* actor Iain Glen and singer, songwriter and broadcaster Fiona Kennedy OBE. “It all came out of just one conversation,” Sir Tony explained. “I was blown away by Paul’s interpretation of *In the Bleak Midwinter* at the 2016 concert, and afterwards we were chatting about how there are few pieces that challenge us to engage in the drama of the nativity. I thought if we could create something that fills that gap – that addresses modern day issues but gives us the opportunity to sing the carols we all love, and be dazzled by the performance of great musicians - then that would be something really special.” The result was a piece that draws together some of the nativity’s underlying ideas, which are often overlooked in favour of the miraculous nature of the story. Contemporary issues such as division, the plight of refugees, media spin and fake news are all explored as part of *The Three Ships*

The University’s May Festival enjoyed a sunny weekend with its mix of literature, music, science and sport attracting 8,900 visits.

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 Scottish Code of Good Higher Education Governance (published July 2013). A revised Scottish Code of Good Higher Education Governance was published in October 2017 which replaced the 2013 Code. Academic year 2017-18 is considered a transitional year for compliance with the 2017 Code.

In the opinion of Court, the University complied with all the principles and provisions of the 2013 Scottish Code of Good Higher Education Governance through the year with the exception of the following:

1. Principle 7 'The Chair': The statutory position and powers of the Rector mean Court cannot be fully consistent with the description of the role of the Chair in the Code.
2. Guidelines to Principle 5: Court's Operating Board (equivalent to the Finance Committee) does not have an independent majority. This is not, however, a requirement of the 2017 Code.

The University complied with the principles and provisions of the 2017 Scottish Code of Good Higher Education Governance by the end of July 2018 with the exception of:

1. Principle 6 'Key Roles': For the same reasons as noted above with regard to Principle 7.
2. Requirement 44: Revisions are required to standing orders of Court to include provision for rescinding decisions and declaring business reserved. This is expected to be in place by December 2018.
3. Requirement 19: The University Senate has been asked to introduce a limit on the number of periods of office that Senate Assessor members of Court may serve. This is expected to be in place by December 2018.

Constitution, Governance and Regulation

The University was formed by Royal Charter 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, well-being 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 University 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. The University 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 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.

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 the Court during 2017/18 is listed on page 52.

Court has adopted a Statement of Primary Responsibilities and routinely undertakes a wide-ranging review of its effectiveness against sector guidance. The Rector is elected by the student body and is the ordinary president of

Court. The current Rector has opted to exercise the right to preside. Court recognises that the statutory position of the Rector as the ordinary president is not consistent with the description of the role of the Chair contained in the Scottish Code of Good Higher Education Governance. However, Court appoints a Senior Governor, who currently performs the wider role of Chairman and who represents the University at meetings of the Committee of Scottish Chairs and internally to act as the leading Governor in matters of governance and management. 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. The Court undertook an externally facilitated review of its effectiveness in 2016/17 and has implemented revisions to procedures in 2017/18.

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 the Leadership Foundation for Higher Education.

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 60 to 65 reports on the University's performance during 2017/18, and progress against strategic targets is provided on page 7.

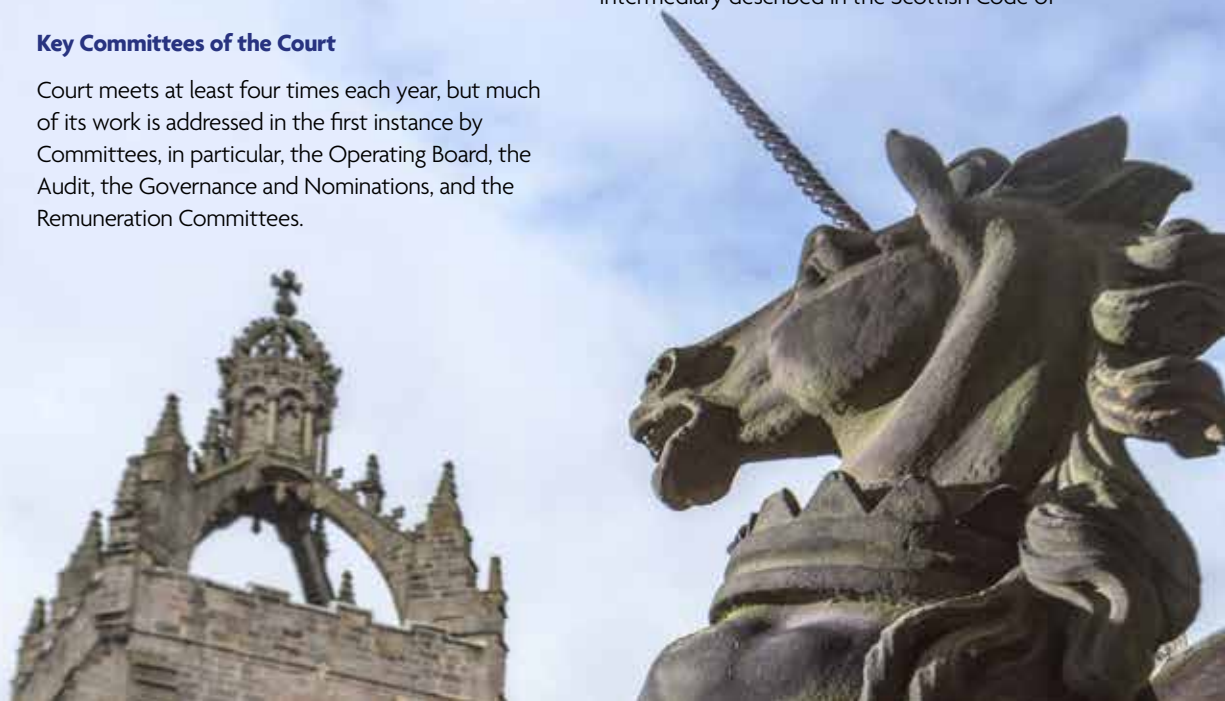
Key Committees of the Court

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, 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 2017/18 is listed on page 52. 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 power to the Principal with at least one other senior member of Court to take decisions between meetings, such decisions are formally reported to Court.

In respect of its strategic and development responsibilities, Court receives recommendations and advice from the Operating Board. The Operating Board's composition includes four independent members, appointed by Court from amongst its members. The Operating Board 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 but 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 also enables the Convener 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 achieving and maintaining female representation of a minimum of 25%, with aspirations to achieve 50% over the longer term. In 2017/18, 44% of members were female and 56% male, while the appointed independent membership was 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 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 2018 pay awards. The pay policy for 2018 included consideration of awards for exceptional performance and gender pay matters and notified all senior staff of the opportunity to apply based on the criteria. Heads of Schools and Directorates were also asked to review remuneration in their areas and to make recommendations. All applications and recommendations are considered by the Committee for approval to a maximum of the £0.1m budget. In addition, the Remuneration Committee review and approve the salaries for new members of the Senior Management Team, taking into consideration national benchmark information provided by UCEA and also the experience demonstrated in the application/CV of the successful candidate.

Audit, Risk Management and Internal Control

The Audit Committee, which has a predominantly lay membership, includes members with directly relevant experience, and is chaired by an independent member of Court. 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 University Management Group but with Risk being a regular item on the Audit Committee agenda.

Court sets and approves annually the University's risk appetite, and routinely reviews the Corporate Register of Strategic Risks.

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.

The University has an ongoing process for identifying, evaluating and managing the University's significant risks up to the date of approval of the annual reports and accounts. This process has been designed to align with the internal control guidance for directors in the UK Corporate Code. It is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or financial loss. This process is regularly reviewed by the governing body and accords with the internal control guidance as applicable to the higher education sector.

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 last undertook such a tendering process during 2013/14 as a result of which it appointed a new firm of Internal Auditors with effect from 1 August 2014. 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 2018, 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 2017 to March 2018

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 off 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 introduced a new requirement to publish data on facility time in 'public sector employers' including HEIs. The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on the 1st April 2017 and details the requirements. Relevant employers now have to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation. The purpose of these regulations is to promote transparency and allow for public scrutiny of facility time. Employers are now required to publish data in four tables (outlined in Schedule 2 of the Regulations) detailed below:

Table 1: Trade union representatives and full-time equivalents

Number of employees who were union representatives during the period	
Trade union representatives:	32.0
FTE trade union representatives:	29.9

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

0% of working hours:	0 representatives
1 to 50% of working hours:	32 representatives
51 to 99% of working hours:	0 representatives
100% of working hours:	0 representatives

Table 3: Total pay bill and facility time costs from April 2017 to March 2018

Total pay bill:	£114,976,000
Total cost of facility time:	£52,000
Percentage of pay bill spent on facility time:	0.05%

Table 4: Paid trade union activities

Hours spent on paid facility time:	1,979
Hours spent on paid trade union activities:	-
Percentage of total paid facility time hours spent on paid TU activities:	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.

Mr Martin Gilbert

Senior Governor of the University Court
11 December 2018

STATEMENT OF PRIMARY RESPONSIBILITIES OF THE COURT

Court adopted a Statement of Primary Responsibilities which was in operation during 2017/18. 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 2015 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 misstatement, 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 2017-2018





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 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.



Martin Gilbert
Senior Governor and Chancellor's Assessor
Member since January 2017

Martin Gilbert is Chief Executive of Aberdeen Standard Investments, the asset management arm of Standard Life Aberdeen plc. Standard Life Aberdeen plc, the leading global investment company, was formed as a result of the merger between Aberdeen Asset Management PLC and Standard Life plc in August 2017, led by Martin and co-chief executive Keith Skeoch. Both have responsibility for overseeing £610 billion of assets under management and administration.

Martin is a co-founder and Chief Executive of Aberdeen Asset Management PLC. Martin was appointed Chairman of the Prudential Regulation Authority's Practitioner Panel in December 2013. He sits on the board of directors of the Institute of International Finance and is a member of the International Advisory Panel of the Monetary Authority of Singapore and the International Advisory Board of British American Business. Martin is also Deputy Chairman of Sky PLC.

In 2009, he was awarded the honorary degree of Doctor of Laws by the University of Aberdeen for services to business and entrepreneurship. In 2011, he was named Scotland PLC CEO of the Year at the Business Insider/PwC Scotland PLC Awards. Martin is Adjunct Professor of Finance at Imperial College Business School. Martin was born in Malaysia, educated in Aberdeen and has an MA in Accountancy and an LLB.



Maggie Chapman
Rector
Member since January 2015

Maggie is co-convenor of the Scottish Green Party and Chief Executive of SCOVI - the Umbrella Body for Vision Impairment in Scotland. She taught at Edinburgh Napier University for eight and a half years and is a former Edinburgh Councillor.

Born and brought up in Zimbabwe, she moved to Scotland to study Zoology at Edinburgh University. She has previously worked for a Scottish women's charity and in environmental management across 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. She contributes to the work of the Royal Society of Edinburgh and the International Society on Thrombosis and Haemostasis.



Professor Mirela Delibegovic
Senate Assessor
Member since October 2016

Mirela holds a Personal Chair at the School of Medicine, Medical Sciences and Nutrition. She has been a member of Senate since 2007, representing the School of Biological Sciences and the School of Medicine, respectively. Her research has focused on the role of obesity and ageing, and on the development of diabetes and cardiovascular disease. She sits on the Diabetes UK main funding panel and is the Carnegie Trust assessor. She is currently the Director (Diabetes) of Aberdeen Cardiovascular and Diabetes Centre and the Systems Physiology Programme co-lead at the Institute of Medical Sciences.



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).



James Hall
Independent Member
Member since September 2010

James has more than thirty years of experience in general management, large scale business change and consulting in the private and public sectors. He has chaired a private company, was Chief Executive of the Identity and Passport Service and a member of the Home Office Board, and spent thirty years with Accenture, including six years running their UK business. James was a member of the Commission on Public Policy and British Business (1996-1997) and was a member of the Economic Affairs Committee of the CBI (1990-2002).



Lorna Jack
Independent Member
Member since November 2017

Since joining the Law Society in January 2009 as Chief Executive, Lorna has led the staff team in delivering a program of modernisation. That program continues with a bolder, more ambitious five year strategy for 2015-2020. Lorna's role is to drive the implementation of this strategy which aims to lead legal excellence in Scotland and beyond enabling the Law Society to be a world-class professional body. Lorna is a chartered accountant by profession, and a graduate of Aberdeen University.

Lorna is also the Chair of Highlands and Islands Airports Limited on a temporary basis and is a Trustee and Treasurer of the McConnell International 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

From April 2019 Iain will be the Chief Financial Officer for Glaxo SmithKline plc (GSK). At the end of 2018 Iain will retire from HSBC Holdings plc, where he has been the Group Finance Director since 2010, prior to which 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 of Aberdeen (MA in Business Studies and Accounting), Iain is currently Chairman of the Audit and Risk committee of the British Heart Foundation and a member of the Board of Trustees of the British Heart Foundation.



Kathryn McPhail
Independent Member
Member since August 2010

Kathryn McPhail is CEO of EnergyCC which convenes industry networks for climate change solutions. Kathryn worked in senior executive roles in the World Bank Group and in oil & gas and mining FTSE 100 companies. She serves on the Technical Advisory Group, Natural Resources Governance Institute, and the United Nations Sustainable Development Solutions Network. Kathryn is also a member of the Singapore Institute of Directors and the National University of Singapore Medicine International Council.



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 Operating Board and also the University of Aberdeen Development Trust. She was awarded an OBE in 2000 for services to the engineering industry.



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 is also an elected member of the University Senate of fourteen years' experience 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.



Lawson Ogubie

Student President 2018/2019
Member since July 2017

Lawson represents the whole student body as Student President and Chair of the AUSA Trustee Board. He sits on the AUSA Executive Committee, Student Council as well as a number of University appointed committees, including Court and Senate, representing the views of students to the University.

Lawson is a law graduate of University of Benin, Nigeria. He obtained his LLB (Hons) Degree in 2013. Thereafter he attended the Nigerian Law School where he qualified as a Legal Practitioner. Before his election as the Student President, he was pursuing a LLM in Energy and Environmental Law at the University of Aberdeen.



Dr Nir Oren

Senate Assessor
Member since January 2015

Nir is a Reader in the School of Natural and Computing Sciences. His research lies in the area of Artificial Intelligence, and focuses on supporting and automating decision making in complex environments. His work has been applied to domains as varied as transportation, food packaging, and emergency response. Nir has published over 150 peer-reviewed research papers in the area.



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).



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.



Dr Rachel Shanks

Senate Assessor
Member since October 2017

Rachel is a Senior Lecturer in the School of Education. She researches professional learning, community learning and development and education law. She is Co-Convenor of the Open Learning network of the European Educational Research Association and is on the Board of the Scottish Educational Research Association. She is a Senior Fellow of the Higher Education Academy and a member of the Scottish Community Learning and Development Standards Council. Rachel previously had a varied career in research and education including positions as a freelance researcher; law lecturer; employment rights adviser; and as a lifelong learning organiser.



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
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.



Donna Connelly
AUSA Nominated Student Member
Member since June 2018

Donna is a Computing Science graduate from the University, having previously studied at Banff and Buchan College and Aberdeen College. Donna is currently the Education Officer for Aberdeen University Students' Association (AUSA), her second year in the role.



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

David joined the University in 2007 and is currently based in the Rowett Institute. He is conducting research into: networking among food and drink enterprises; food consumption practices; food insecurity; and cooperation. He is Pensions Officer and Honorary Treasurer for the Aberdeen branch of the University and College Union and has recently been elected to the Senatus Academicus. David previously worked at the Universities of Bristol and Coventry, and at Scotland's Rural College.



UNIVERSITY COURT MEMBERSHIP:**Rector**

Ms M Chapman (to 31.12.17 and from 01.04.18)

Principal

Professor Sir I Diamond (to 31.07.18)

Professor G Boyne (from 01.08.18)

Chancellor's Assessor & Senior Governor

Mr M Gilbert

Assessors: Senatus

Professor M Delibegovic (from 1.10.17)

Dr N Oren (from 1.10.17)

Professor J Schaper (from 1.10.2017)

Dr R Shanks (from 1.10.2017)

Elected Academic Staff Member

Dr M Mills (from 15.09.17)

Elected Non-Academic Staff Member

Mrs J Fernandes (from 15.09.17)

Academic Trade Union Nominee

Dr D Watts (from 01.08.17)

Non-Academic Trade Union Nominee

Mr B Paterson (from 01.08.17)

President, Students' Association

Mr L Ogubie

Second Students' Association Nominee

Ms K A Smith (to 15.05.18)

Mrs D Connelly (from 27.06.18)

Independent Members

Professor N Booth

Mr C Duncan

Mr J Hall

Ms L Jack (from 01.11.17)

Mr D MacFarlane

Mr I Mackay (from 04.10.17)

Mrs K McPhail

Ms L Menzies (from 04.10.17)

Ms A Minto

Mr K Murray (to 31.10.17)

Mr I Percival

Mrs J Shirreffs

Mr D Steyn

OPERATING BOARD MEMBERSHIP:

Ms A Minto (Interim Co-Chair and Chair from 27.06.18)

Mr J Hall (Interim Co-Chair to 26.06.18)

Professor N Booth

Professor G Boyne (from 01.08.18)

Professor M Delibegovic (from 17.10.17)

Professor Sir I Diamond (to 31.07.18)

Professor M Greaves (from 01.09.17 to 15.06.18)

Professor P Hannaford (from 15.06.18)

Mrs C Inglis

Professor J Kilburn (to 25.08.17)

Mr D MacFarlane (to 31.12.17)

Ms L Menzies (from 29.01.18)

Mr L Ogubie

Mr B Paterson (from 29.01.18)⁹

Dr R Shanks (from 29.01.18)

Dr D Watts (from 29.01.18)

REMUNERATION COMMITTEE MEMBERSHIP:

Mr D Steyn (Convener)

Mr C Duncan

Mr M Gilbert

Mrs K McPhail

Mr L Ogubie

Mr B Paterson (from 29.01.18)

Mr I Percival (from 29.01.18)

Dr R Shanks (from 29.01.18)

GOVERNANCE NOMINATIONS COMMITTEE MEMBERSHIP:

Mr J Hall (Convener)

Professor G Boyne (from 01.08.18)

Professor Sir I Diamond (to 31.07.18)

Mrs J Fernandes (from 29.01.18) ±

Mr M Gilbert

Professor M Greaves* (from 01.09.17 to 15.06.18)

Professor P Hannaford* (from 15.06.18)

Ms L Jack (from 29.01.18)

Mr I Mackay (from 29.01.18)

Mrs K McPhail (for meeting of 11.09.17 only)

Dr M Mills (from 29.01.18)

Mr L Ogubie

Professor J Schaper (from 08.11.17)

Mrs J Shirreffs

AUDIT COMMITTEE MEMBERSHIP:

Mr K Murray (Convener to 31.10.17)

Mr D MacFarlane (Convener from 01.11.17)

Ms L Macfarlan

Mrs M McNeill

Mr A McNiven (to 31.10.17)

Mr P Milne

Professor Sir L Ritchie (Co-opted Staff Member to 30.09.17)

* As alternate to the Principal when not available

± As alternate to Dr Mills

9 As alternate to Dr Watts



ATTENDANCE OF COURT AND AUDIT COMMITTEE MEMBERS AT UNIVERSITY COURT AND COMMITTEE MEETINGS FOR THE YEAR TO 31 JULY 2018

Member	University Court (5 in year)	Audit Committee (5 in year)	Operating Board (7 in year)	Remuneration Committee (2 in year)	Governance and Nominations Committee (5 in year)
Ms M Chapman	4 of 4				
Professor Sir Ian Diamond	3 of 5		7 of 7	1 of 2	3 of 5
Mr Martin Gilbert	4 of 5			1 of 2	3 of 5
Professor M Delibegovic	4 of 5		4 of 4		
Dr N Oren	5 of 5				
Dr R Shanks	5 of 5		2 of 2	2 of 2	
Professor J Schaper	5 of 5				2 of 4
Dr M Mills	5 of 5				2 of 3
Mrs J Fernandes	4 of 5				1 of 1
Dr D Watts	5 of 5		3 of 3		
Mr B Paterson	5 of 5			2 of 2	
Mr L Ogubie	5 of 5		6 of 7	1 of 2	4 of 5
Ms K A Smith	4 of 4				
Mrs D Connelly	1 of 1				
Professor N Booth	5 of 5		7 of 7		
Mr C Duncan	5 of 5			1 of 2	
Mr J Hall	4 of 5		5 of 7		5 of 5
Ms L Jack	4 of 4				1 of 2
Mr D MacFarlane	4 of 5	4 of 5	2 of 4		
Mr I Mackay	3 of 5				1 of 2
Ms K McPhail	5 of 5			2 of 2	1 of 1
Ms L Menzies	3 of 5		3 of 3		
Mrs A Minto	5 of 5		7 of 7		
Mr K Murray	0 of 1	1 of 1			
Mr I Percival	4 of 5			1 of 2	
Mrs J Shirreffs	5 of 5				5 of 5
Mr D Steyn	5 of 5			2 of 2	
Ms L Macfarlan		5 of 5			
Mrs M McNeill		4 of 5			
Mr A McNiven		1 of 1			
Mr P Milne		5 of 5			
Professor Sir Lewis Ritchie		1 of 1			





RISK MANAGEMENT

Risk
Management
Structures

Risk
Management at
Aberdeen

Risk
Management
Processes

RISK MANAGEMENT

Why Risk Management?

In pursuing its key strategic aims and objectives, to achieve excellence in education and research, the University will inevitably undertake activities which incur a level of risk. The way in which these risks are managed, through an effective risk management function, is fundamental to our success. Effective risk management will both reduce the likelihood that risks are realised, and their impact in the event that they are.

Risk Management at Aberdeen

The management of risk at the University of Aberdeen is undertaken as part of the institution's Risk Management Framework which is based on internationally recognised standards in risk management and widely accepted best practice. The Risk Management Framework is part of the wider institutional corporate governance structure and includes an institutional risk management policy, a University statement on risk appetite, and a detailed risk management process which prescribes methods for risk identification, monitoring and control, and arrangements for assurance.

Risk Management Structures

The University has 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 Strategic Plan (2015-20). The risks are managed centrally, with overarching accountability assigned to the University Court. The risk management process also cascades down and across the institution, to Schools, Professional Services and to capital projects, where it is a key tool used as part of the University's Project Management Methodology.

Strategic Risks

The University's Strategic Risk Register is comprised of 10 key risk areas, identified as areas of strategic importance to the institution and its ability to achieve its high-level strategic ambitions. Each one is linked to one of three strategic themes which form the basis of the institutional Strategic Plan 2015-2020: People, Research, and Teaching & Learning. A short description of the 10 key risk areas, 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 THEME	STRATEGIC RISK AREA	RISK DESCRIPTION	RISK MANAGEMENT
People; Research; T&L;	Equality and Diversity	Equality and diversity is 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 Operating Board, Management Group and Audit Committee. 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;	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. It is an inherent component within the University's wider People theme.
People; Research; T&L;	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 quality of our staff and student experience offering.	The quality of the University's physical and digital environments is proactively managed via its Capital Programme Management Committee and its Digital Strategy Committee, which both report to Court via Operating Board. The University has a 10-Year Capital Investment Programme which spans both estate and digital, and manages long term maintenance via dedicated funding streams.
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 impact on financial sustainability and the University's ability to compete long term.	The University is working to develop a new institutional recruitment strategy, with a particular focus on international recruitment and international partnerships. It continues to explore and support work in new markets, informed by Schools, based on market research and previous returns. Growth focuses on both increased recruitment to the Aberdeen and overseas campuses supported by an ongoing development of new online PGT programmes.
Research;	Research Performance and Impact	Poor performance in areas like research income generation and the Research Excellence Framework (REF2021) will have adverse financial and reputational impact, and may affect both staff and student recruitment and retention.	Academic recruitment strategies aim to support research excellence eg in REF 2021. 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.
People; Research; T&L	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 has excellent processes for induction and offers strong career development programmes for staff across all areas, including academic staff and professional services.
People; 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 students.	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.
T&L	Student Recruitment	Failure to attract and retain students and achieve growth targets across all areas may have a significant financial and reputational impact.	The University seeks to grow student numbers through diverse activities. The potential impact of Brexit on student recruitment is being monitored closely and mitigating strategies have been put in place. The development of new online distance learning programmes for global markets continues apace along with strategies for widening access and articulation from colleges.

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 also embrace opportunities where the strategic benefits are considered to outweigh the relative risks; for example, in pursuing different overseas (TNE) initiatives.

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 risk area 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; or 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 2018



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.

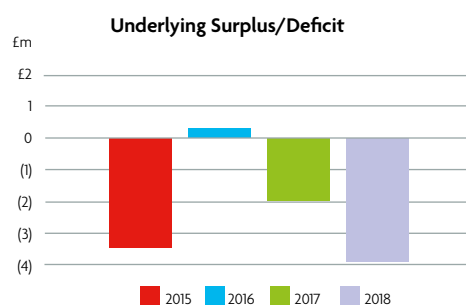
Financial Performance

The Group's reported results for the year are:

	2018	2017
	£000	£000
Income	219,471	222,462
Expenditure	226,949	229,250
(Deficit) before other gains and losses	(7,478)	(6,788)
Other gains/(losses)	3,953	(517)
Taxation	-	(249)
Actuarial gain in respect of pension schemes	13,255	18,422
Comprehensive income for the year	9,730	10,868

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 deficit for the year to 31 July 2018 is £3.9m compared with £2.0m for the prior year as follows:

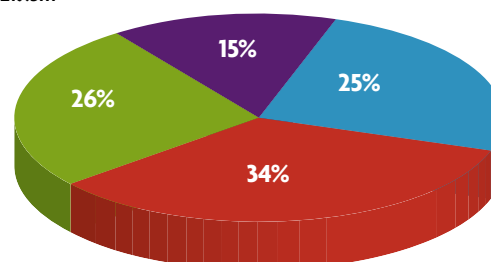
	2018	2017
	£000	£000
(Deficit) before other gains and losses	(7,478)	(6,788)
Voluntary severance and early retirement schemes	509	(593)
Provisions for onerous contracts and pre-establishment costs	1,130	2,500
Research and development expenditure credit	-	(1,174)
Impairments	2,166	1,413
Changes in tuition fee assumptions	(1,052)	-
Pension provision movements (Note 21a)	847	2,687
Underlying (deficit)	(3,878)	(1,955)



Our underlying deficit is representative of the challenges that we currently face, with increased competition and additional costs such as pension contributions. We must actively manage our finances to ensure that we remain in a sustainable position. We are committed, as a minimum to returning to an operating break-even underlying position by financial year end 2019/20. This will ensure that cash reserves are sufficient to meet the University's investment programme, whilst maintaining sufficient funds for operating activities.

Income 2017/18

£219.5m



- Tuition fees - £55.8m (2017: £53.2m)
- Funding council grants - £74.8m (2017: £74.3m)
- Research grants & contracts - £56.1m (2017: £61.0m)
- Other income - £32.8m (2017: £34.0m)

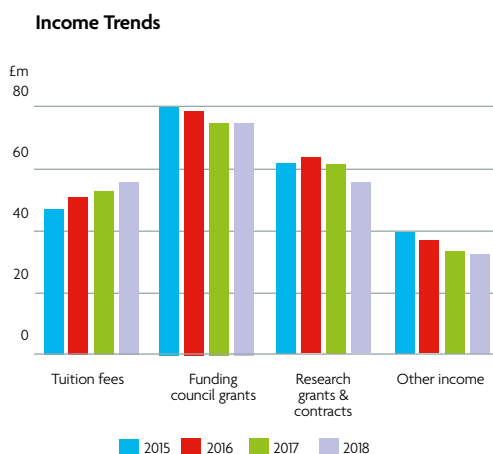
Income for the year has decreased by £3.0m to £219.5m.

Tuition fees have increased by 5.0% to £55.8m with Scottish & EU fees increasing by £2.1m to £19.3m, or 12.1% from 2016/17. Rest of UK fees decreased by £0.3m to £9.0m and Non-EU fees increased by £1.2m or 4.9% to £25.9m in the year to 31 July 2018.

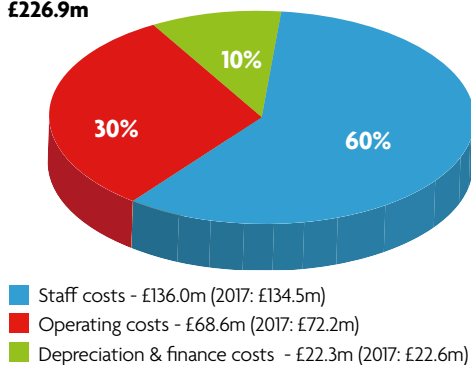
Funding Body grants have increased by £0.5m to £74.8m, with an increase in funding for teaching of 1.3% (£0.6m) and a fall in research funding of 2.4% (£0.5m). Other strategic funding streams have increased by £0.1m (4.2%) and the release from deferred capital grants has improved by £0.3m (10.2%).

Research grants and contracts income of £56.1m decreased by £4.9m (8.0%) from £61.0m in the previous year. The decrease is mainly attributable to a £1.5m fall in Research Council income, a £1.5m reduction in UK government research grant income and the removal of the Research and Development Expenditure Credit tax recovery, which amounted to £1.4m in the prior year.

Other income has reduced by £1.1m to £32.8m. Student residences income has reduced by £2.4m with an increase in voids due to increased competition within the Aberdeen market. Investment income has increased by £0.3m as a result of higher cash balances and improved endowment portfolio returns.



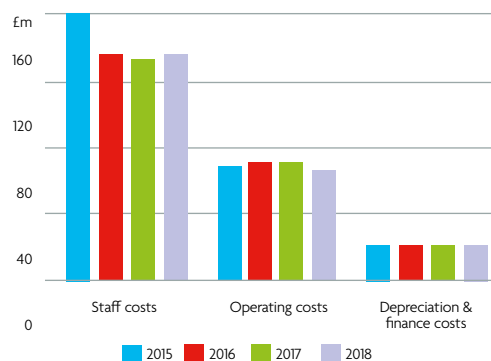
Expenditure 2017/18
£226.9m



Total expenditure decreased by £2.4m or 1.0% to £226.9m.

Staff costs of £136.0m have increased by £1.5m (1.1%). When considered against a 1.7% pay award, incremental movements within our salary scales and a 6.7% increase in employer contributions to our local pension scheme mid-way through the year, this continues to reflect tight control on staffing expenditure. Staff costs, excluding pension liability movements now represent 60% of expenditure (2017: 59%). Other expenditure fell by £3.6m or 5.0% during the year to £68.6m, partially due to the £2.5m provision for third party student accommodation provision charged in the prior year. Costs include a provision of £0.7m for the potential repayment of pre-establishment costs in respect of an overseas campus, £0.4m in respect of third party student accommodation contracts and £2.2m of impairments mainly in relation to our Crombie and Johnston Halls of Residence.

Expenditure Trends



Other Gains and Losses

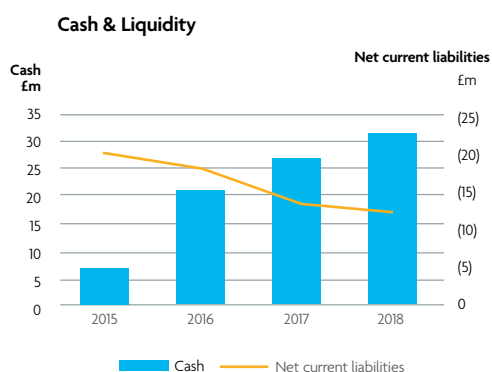
Surplus land at our Bucksburn site was sold resulting in a £3.0m surplus. In addition our non-current investment portfolios appreciated by £2.4m during the year, mainly due to the continued strong performance of our endowment and pension portfolios (£2.5m) whilst the value of the holdings in our spin-out companies fell slightly.

The continued downturn in the Aberdeen housing market has resulted in a further £0.9m (2017: £3.5m) reduction in the value of our investment properties.

Actuarial Gain in Respect of Pension Schemes

The majority of the £13.3m gain is attributed to the University of Aberdeen Superannuation and Life Assurance Scheme with an improvement of £11.5m and a £1.8m improvement for the Strathclyde Pension Fund.

Cash Flow



Operating activities generated a cash inflow of £17.3m (2017: £16.1m). After taking account of capital expenditure, investment income and borrowing costs, the overall group cash inflow was £4.3m, compared with a £5.8m inflow for the year to 31 July 2017. The net cash inflow of £4.3m comfortably exceeds our net cash flow to interest bank covenant.

Capital Projects

We are currently in the planning phase for our next capital programme and as a result capital investment during the year was concentrated on the upgrade of our existing estate. Work is progressing on plans for a number of new and updated facilities. The decision as to whether to progress with these projects and their order of priority will be better understood once Court agrees our strategic objectives. The University also has a recurrent capital fund to enhance our information technology and invested £3.5m in this area during the year.

Treasury Management

Borrowing

We currently have an agreed £40.0m loan facility with Barclays Bank plc, which has been fully drawn down and has been used to fund our capital investment. The facility has been utilised over a period of time with the initial draw down in April 2007 and the final instalment of £10.4m utilised in April 2015. Repayments are due in four payments of £10.0m, in September 2021, 2026, 2031 and 2036 respectively.

In order to fund new capital projects the University is considering raising funds by way of a private placement bond. Initial work has been undertaken on the feasibility of such a bond with the final decision as to whether to proceed and the quantum of any borrowing to be confirmed in conjunction with the outcome of the review of future infrastructure projects.

In addition the University has entered into finance leases for halls of residence, with £2.1m repayable on expiry of a lease in October 2018 and a further commitment of £26.2m for an agreement expiring in 2037.

Payment of Creditors

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

Balance Sheet as at 31 July 2018

Non-Current Assets

Non-current assets have reduced by £9.4m to £605.1m during the year. With the University in a planning phase for the next round of capital investment, additions of £10.2m have been offset by depreciation charges of £18.6m and the reduction in value of investment properties of £0.9m. Non-current investments have increased by £2.7m due to the continued strong market performance.

Net Current Liabilities

As at 31 July 2018, the Group had net current liabilities of £12.3m, an improvement of £1.1m on the prior year. As with many research intensive institutes, prepaid income for research grants of £18.5m (2017: £18.0m) is a main contributor to the net current liabilities position. In addition creditors falling due within one year include capital grants to be released of £3.7m and an accrual in respect of untaken annual leave of £4.8m. Additionally, a debtor of £3.1m in respect of the sale of land in July 2018 and the final repayment (£2.1m) of the finance lease that expired in October 2018 are included within net current liabilities.



Creditors: Amounts Falling Due After More Than One Year

Long term creditors have reduced by £4.3m to £160.3m during the year. The creditors comprise of borrowing (£40.0m) and finance lease obligations (£25.0m) as well as £95.2m of deferred income in respect of capital grants from government organisations.

Provisions and Pension Schemes

Pension provisions have decreased by £12.4m to £41.7m during the year. The provisions cover the discounted fair value of the contractual contributions of £27.5m (2017: £27.5m) for the Universities Superannuation Scheme (USS), and a further £10.8m (2017: £22.7m) 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 £0.7m, but this has not been recognised in the University's balance sheet. A further £3.4m (2017: £3.9m) has been provided against the payment of enhanced pensions to a number of former Northern College employees

Both the USS and UASLAS schemes undertook triennial valuations during the year. The UASLAS scheme reported a deficit of £9.0m that resulted in employer contributions increasing from 17.5% to 24.2%. A member consultation was held during the summer of 2018 and as a result the scheme will continue to offer pension benefits on a defined benefit basis with a lower accrual rate. Employer contributions to the Scheme will reduce to 18.3% from 1 January 2019.

The USS is a multi-employer scheme in which the University is a participating employer. The 2017 actuarial valuation of USS has been undertaken but has not been formally completed and the total multi-employer pension liability is estimated to increase significantly to £7.5bn. The USS Trustee has therefore concluded that in order to maintain the Scheme's current level of benefits the combined employer and employee contribution rate needs to increase. In parallel, a Joint Expert Panel (JEP) has been established to assess the valuation and this panel delivered its report in September 2018. The JEP's findings suggests a significantly lower deficit position which may lead to the Trustee proposing alternative changes to benefits and/or contribution levels. The Trustee has subsequently indicated that a further valuation will be undertaken as at 31 March 2018, which must be completed by 30 June 2019.

In the judgment of the University, as the 2017 USS valuation is not formally completed it therefore remains appropriate at 31 July 2018 to continue to account for the past deficit obligation using the existing of 2.1% deficit recovery contribution rate. However, there is a significant risk that the 31 July 2018 year-end provision as calculated will not reflect this position following the final outcome of negotiations, potentially by a very significant amount depending upon what is agreed as regards future deficit contributions and their duration. The University expects to have greater clarity in this respect during the next financial year.

The following indicative sensitivity analysis outlines the potential impact on the University's 31 July 2018 provision liability of £27.5m:

- An indicative 1% increase to the employer deficit recovery rate results in an increase in the provision of £13.1 million.
- USS Trustee, based on the £7.5bn deficit, has indicated an increase in the recovery rate of 3.9% which results in a provision value of £73.3m, an increase of £45.8m on the current provision.

To meet this deficit and the ongoing cost of pensions going forward, the University employer's contribution is likely to rise. A 1% increase in the employer's contribution will cost circa £800,000 and based on the £7.5bn deficit, the cost to the University of a 3.9% increase would be an additional £5.1 million per annum compared with the current total cost of £15.1m in the year to 31 July 2018.

The actuarial valuation and notification of revised deficit contributions is expected to be finalised in the financial year ending 31 July 2019 and the revised provision, as required, is expected to be recognised in the financial statements for that year.

Outlook

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 online tuition programmes, in support of our strategic goals. 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.

These changes will allow us to enter into new markets and diversify income streams. Returning to, at least, a break-even operating position by 2019/20 will improve cash generation and allow us to invest towards our future.



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 2018 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 2018 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.

Going concern

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

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 43-45, 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.

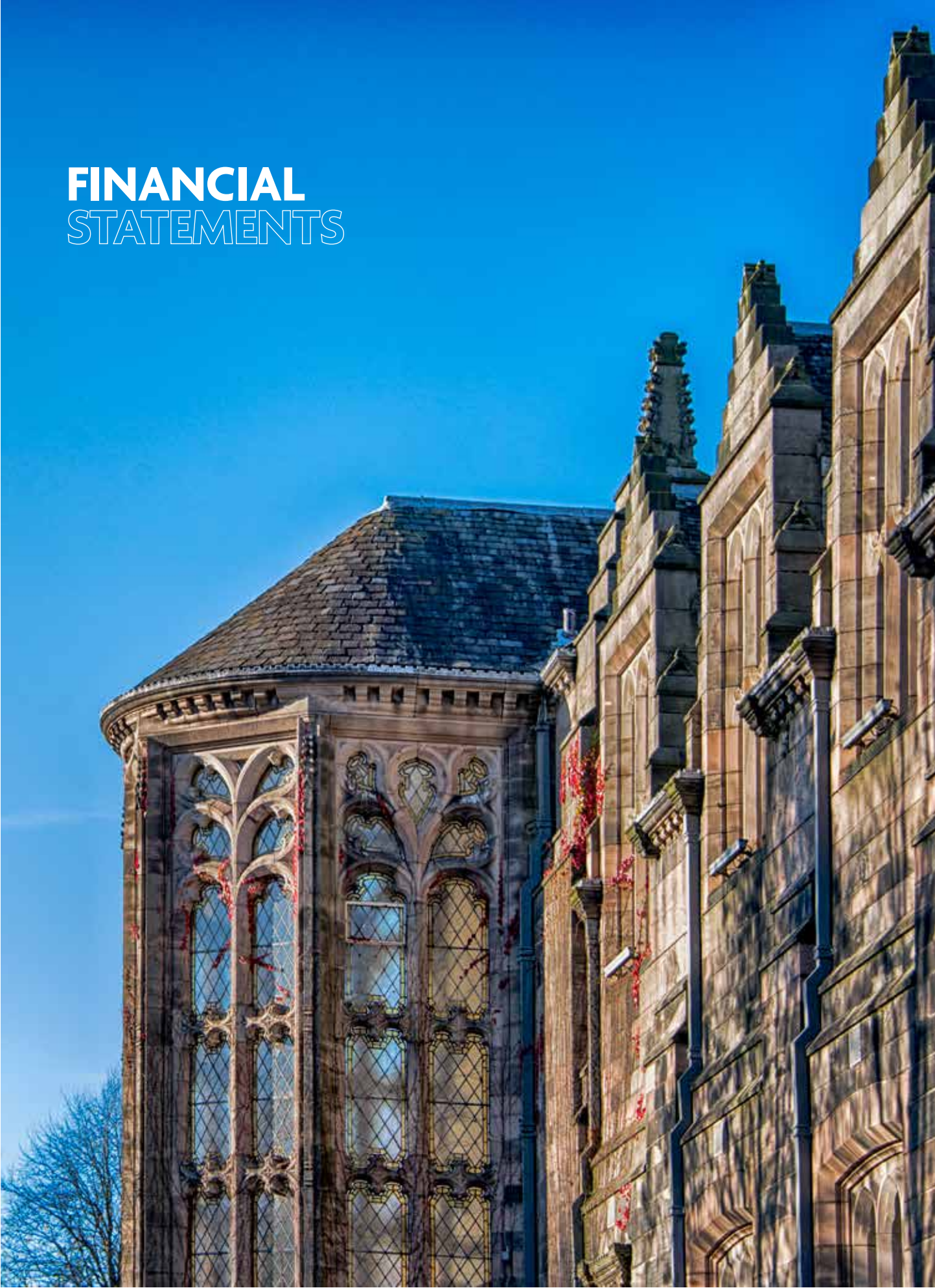
David Derbyshire

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
37 Albyn Place Aberdeen AB10 1JB
11 December 2018

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

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS



Statement of Comprehensive Income and Expenditure
Year ended 31 July 2018

		Consolidated	University	Consolidated	University
		2018	2018	2017	2017
	Note	£000	£000	£000	£000
Income					
Tuition fees and educational contracts	1	55,842	55,842	53,210	53,210
Funding body grants	2	74,752	74,752	74,300	74,300
Research grants and contracts	3	56,079	56,079	60,974	60,974
Other income	4	31,286	31,286	32,854	32,854
Endowment and investment income	5	1,251	1,249	929	926
Endowments and donations	6	261	261	195	195
Total income		219,471	219,469	222,462	222,459
Expenditure					
Staff costs	7	136,013	136,013	134,520	134,520
Other operating expenses	8	68,646	68,449	72,209	71,944
Depreciation	9	18,635	18,635	18,566	18,566
Interest and other finance costs	10	3,655	3,655	3,955	3,955
Total expenditure	11	226,949	226,752	229,250	228,985
(Deficit) before other gains/(losses) and share of operating surplus/(deficit) of joint venture		(7,478)	(7,283)	(6,788)	(6,526)
Gain/(loss) on disposal of fixed assets	12	3,047	(3)	-	-
Unrealised (loss) on revaluation of investment properties	13	(936)	(1,237)	(3,480)	(2,643)
Gain on non-current investments	14	2,361	1,842	3,797	3,061
Share of operational deficit in joint venture	15	(519)	-	(834)	-
(Deficit) before tax		(3,525)	(6,681)	(7,305)	(6,108)
Taxation		-	-	(249)	(249)
(Deficit) for the year		(3,525)	(6,681)	(7,554)	(6,357)
Actuarial gain in respect of pension schemes	21a	13,255	13,255	18,422	18,422
Total comprehensive income for the year		9,730	6,574	10,868	12,065
Total comprehensive income for the year					
Endowment comprehensive income for the year		2,755	2,755	4,484	4,484
Unrestricted comprehensive income for the year		6,975	3,819	6,384	7,581
Total comprehensive income for the year		9,730	6,574	10,868	12,065

Consolidated and University Statement of Changes in Reserves
Year ended 31 July 2018

Consolidated	Income and expenditure account		Revaluation reserve	Total
	Endowment	Unrestricted		
	£000	£000	£000	£000
Balance at 1 August 2016	41,314	134,231	193,533	369,078
Surplus/(deficit) from the income and expenditure statement	4,484	(12,038)	-	(7,554)
Other comprehensive income	-	18,422	-	18,422
Transfers between revaluation and income and expenditure reserves	-	5,079	(5,079)	-
Total comprehensive income/(deficit) for the year	4,484	11,463	(5,079)	10,868
Balance at 1 August 2017	45,798	145,694	188,454	379,946
Surplus/(deficit) from the income and expenditure statement	2,755	(6,280)	-	(3,525)
Other comprehensive income	-	13,255	-	13,255
Transfers between 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 31 July 2018	48,553	158,051	183,072	389,676
University				
Balance at 1 August 2016	41,314	128,985	190,992	361,291
Surplus/(deficit) from the income and expenditure statement	4,484	(10,841)	-	(6,357)
Other comprehensive income	-	18,422	-	18,422
Transfers between revaluation and income and expenditure reserves	-	5,079	(5,079)	-
Total comprehensive income/(deficit) for the year	4,484	12,660	(5,079)	12,065
Balance at 1 August 2017	45,798	141,645	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 31 July 2018	48,553	150,846	180,531	379,930

Balance Sheets as at 31 July 2018

	Note	Consolidated 2018 £000	University 2018 £000	Consolidated 2017 £000	University 2017 £000
Non-current assets					
Tangible assets	13	494,634	493,511	504,590	503,422
Heritage assets	13	277	277	277	277
Intangible assets	13	3,897	3,897	4,662	4,662
Investment properties	13	37,184	32,052	38,099	33,268
Non-current investments	14	51,301	69,113	48,593	66,924
Investment in joint venture	15	17,812	-	18,331	-
		605,105	598,850	614,552	608,553
Current assets					
Stock	16	141	141	256	256
Trade and other receivables (including debtors over one year: £1,000,000, 2017:nil)	17	21,213	18,138	19,208	19,261
Investments	18	-	-	1,385	1,385
Cash and cash equivalents	23	31,350	30,911	27,021	26,359
		52,704	49,190	47,870	47,261
Less: Creditors: amounts falling due within one year	19	65,000	64,977	61,226	61,208
Net current liabilities		(12,296)	(15,787)	(13,356)	(13,947)
Total assets less current liabilities		592,809	583,063	601,196	594,606
Less: Creditors: amounts falling due after more than one year	20	160,269	160,269	164,608	164,608
Provisions					
Pension provisions	21a	41,674	41,674	54,082	54,082
Other provisions	21b	1,190	1,190	2,560	2,560
		42,864	42,864	56,642	56,642
Total net assets		389,676	379,930	379,946	373,356
Restricted reserves					
Income and expenditure reserve – endowment reserve	22	48,553	48,553	45,798	45,798
Unrestricted reserves					
Income and expenditure reserve		158,051	150,846	145,694	141,645
Revaluation reserve		183,072	180,531	188,454	185,913
Total funds		389,676	379,930	379,946	373,356

The Accounts set out on pages 69 to 72 were approved by the University Court on 11 December 2018 and signed on its behalf by:

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

Martin Gilbert FRSE
Senior Governor of the University Court

David Beattie MA, CPFA
Director of Finance

Consolidated Cash Flow Statement
Year ended 31 July 2018

	Note	2018 £000	2017 £000
Cash flow from operating activities			
Deficit for the year		(3,525)	(7,554)
Adjustments for non-cash items			
Depreciation	9 & 13	18,635	18,566
Impairment of fixed assets	13	2,166	1,413
(Gain) on investments	14	(2,361)	(3,797)
Decrease in stock		115	17
Decrease in debtors		1,070	5,149
Increase/(decrease) in creditors and other provisions		4,327	(2,495)
Increase in pension provisions (excluding actuarial gain or loss)		847	2,487
Unrealised deficit on revaluation of investment properties	13	936	3,480
Share of operating deficit in joint venture	15	519	834
Adjustments for investing or financing activities			
Investment income	5	(1,251)	(929)
Interest payable	10	2,526	2,508
Endowment income	6 & 22	(62)	(84)
Capital grants received/released during the year		(3,626)	(3,471)
Profit on sale of fixed assets	12	(3,047)	-
Net cash inflow from operating activities		17,269	16,124
Cash flows from investing activities			
Proceeds from sales of fixed assets		45	-
Capital grant receipts		2,970	5,086
Disposal of non-current investments	14	11,343	2,468
Withdrawal of deposits		1,385	(17)
Investment income	5	1,251	929
Payments made to acquire fixed assets		(13,889)	(12,506)
New non-current asset investments	14	(11,690)	(2,005)
		(8,585)	(6,045)
Cash flows from financing activities			
Interest paid	10	(1,339)	(1,339)
Interest element of finance lease and service concession payments	10	(1,187)	(1,169)
Endowment cash received	6 & 22	62	84
Repayments of amounts borrowed		(96)	(100)
Capital element of finance lease and service concession payments		(1,795)	(1,742)
		(4,355)	(4,266)
Increase in cash and cash equivalents in the year		4,329	5,813
Cash and cash equivalents at beginning of the year	23	27,021	21,208
Cash and cash equivalents at end of the year	23	31,350	27,021
Movement in cash and cash equivalents		4,329	5,813

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 61 to 65. 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 2018, the current schedule of contributions should be used. This judgment reflects that the 2017 valuation has not been formally completed. Further disclosure has been included in notes 21a and 27 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 2018. 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 29.

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.

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. Where equipment is acquired with funding from specific grants it is depreciated over the life of the research grants. 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.

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(1) of the Income and Corporation Taxes Act 1988. The University is recognised as a charity by HM Revenue & Customs and is recorded on the index of charities 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

2018
£000

2017
£000

Consolidated and University		
Scottish fees	14,823	12,795
EU fees	4,477	4,417
RUK fees	9,018	9,275
Non-EU fees	25,859	24,655
Non-credit bearing course fees	1,335	1,785
Other contracts	330	283
	55,842	53,210

2. Funding body grants

Consolidated and University		
SFC general funding - teaching	46,010	45,424
SFC general funding - research	22,617	23,175
Strategic research development grant	2,358	2,294
Capital grants released from deferred income	3,401	3,087
Other SFC grants	366	320
	74,752	74,300

3. Research grants and contracts

Consolidated and University		
Research councils	11,831	13,294
UK based charities	9,655	9,962
UK central and local government, health and hospital authorities	18,269	19,733
UK industry, commerce and public corporations	3,424	3,474
EU government bodies	4,996	5,184
EU other	877	959
Other overseas	6,859	7,014
Other sources	168	1,354
	56,079	60,974

Research grants and contracts income includes the following significant grants:

Funding body	Project title	£000
RESAS	RESAS Main Programme	7,139
Wista Laboratories Ltd	Alzheimer's Research project	4,046
Chief Scientist's Office	HSRU Core Grant	682
Scottish Government	Strategic Marine Mammal Monitoring Programme for the Moray Firth	638
National Institute for Health Research	Technology Assessment Reviews	590
4D Pharma Research	To carry out various activities as specified	575
Chief Scientist's Office	HERU Core Grant	565

4. Other income

	Consolidated	University	Consolidated	University
	2018	2018	2017	2017
	£000	£000	£000	£000
Residences, catering and conferences	11,483	11,483	13,691	13,691
Consultancy	5,217	5,217	5,609	5,609
Health authorities	5,581	5,581	5,473	5,473
VAT recovery	502	502	692	692
Other grants	8,499	8,499	7,385	7,385
Capital grants received/released	4	4	4	4
	31,286	31,286	32,854	32,854

5. Investment income

Investment income from endowments (note 22)	1,057	1,057	796	796
Other investment income	194	192	133	130
	1,251	1,249	929	926

6. Donations and endowments

New endowments (note 22)	62	62	84	84
Donations with restrictions	199	199	111	111
	261	261	195	195

7. Staff costs

	2018	2017
	£000	£000
Consolidated and University		
Salaries	107,358	105,781
Social security costs	10,665	10,316
Movement on pension provisions (note 21a)	(111)	910
Other pension costs	18,101	17,513
	136,013	134,520

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

Salary	282	277
Pension contributions to USS	30	50
Sub-total	312	327
Contractual notice payment and related expenses	289	-
Total	601	327

The remuneration (comprising of salary and pension contributions) of the former Principal, Professor Sir Ian Diamond, in the financial year was £312,000 (2017: £327,000). This was 7.9 times (2017: 8.4 times) the median remuneration of the workforce which was £39,551 (2017: £38,891). Including the contractual notice payment described below, the calculation is 15.0 times the median.

In August 2017, Professor Sir Ian Diamond intimated his intention to retire to allow the University to begin the process of appointing a successor. Due to the considerable time required to complete the recruitment process, it was agreed that Professor Diamond would remain in office until his successor was appointed and in post. Professor Diamond formally gave his notice to retire in July 2018, he was entitled to a payment of £282,000 in respect of a contractual 12 month notice period. A further payment of £7,000 was in respect of related expenses.

Staff costs for key management personnel excluding employer's pension contribution	1,196	1,207
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Key management personnel are the University's Senior Management Team, comprising of the Senior Vice Principal, Vice Principals, Secretary to the University and Director of Finance.

	2018	2017	2018	2017
	Number	£000	Number	£000
Compensation for loss of office payable to senior post holders:				
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	139	-	-

7. Staff costs - continued

	2018	2017
Remuneration of other higher paid staff	Number	Number
£100,000 - £109,999	23	19
£110,000 - £119,999	18	18
£120,000 - £129,999	5	5
£130,000 - £139,999	7	5
£140,000 - £149,999	3	5
£150,000 - £159,999	2	2
£160,000 - £169,999	2	1
£170,000 - £179,999	-	1
£180,000 - £189,999	-	1

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	1,086	1,101
Academic services	256	249
Administration and central services	373	364
Premises	197	194
Residences, catering and conferences	117	133
Research grants and contracts	437	466
Other expenses	109	114
	2,575	2,621

	2018	2017
	£000	£000
Staff costs by activity – Consolidated and University		
Academic departments	64,863	63,811
Academic services	11,632	10,864
Administration and central services	17,363	16,539
Premises	6,359	5,914
Residences, catering and conferences	3,653	4,043
Research grants and contracts	25,307	25,576
Other expenses	6,947	6,863
Pension cost adjustments	(111)	910
	136,013	134,520

8. Other operating expenses by activity

	Consolidated 2018 £000	University 2018 £000	Consolidated 2017 £000	University 2017 £000
Academic departments	13,048	13,048	13,249	13,249
Academic services	6,234	6,234	6,489	6,489
Administration and central services	9,347	9,347	9,213	9,213
Premises	9,766	9,766	8,313	8,313
Residences, catering and conferences	5,604	5,604	8,140	8,140
Research grants and contracts	17,209	17,209	19,528	19,528
Other expenses	7,438	7,241	7,277	7,012
	68,646	68,449	72,209	71,944

Other operating expenses (including VAT) include:

External auditors remuneration in respect of audit services	53	51	53	51
External auditors remuneration in respect of non-audit services	13	13	25	25
Internal auditors remuneration in respect of audit services	104	104	103	103
Internal auditors remuneration in respect of non-audit services	-	-	-	-

Non-audit services paid to the external auditors in the current year are for other assurance services. Prior year external non-audit fees (including VAT) comprise £10,000 of tax advisory services and £15,000 of other assurance services.

9. Depreciation by activity

Academic departments	2,389	2,389	2,637	2,637
Academic services	3,038	3,038	3,059	3,059
Administration and central services	94	94	105	105
Premises	8,807	8,807	8,114	8,114
Residences, catering and conferences	3,656	3,656	3,545	3,545
Research grants and contracts	488	488	922	922
Other expenses	163	163	184	184
	18,635	18,635	18,566	18,566

10. Interest and other finance costs

Loan interest	1,339	1,339	1,339	1,339
Finance leases	1,187	1,187	1,169	1,169
Interest on pension scheme liabilities (note 21a)	1,129	1,129	1,447	1,447
	3,655	3,655	3,955	3,955

11. Analysis of total expenditure by activity

	Consolidated 2018 £000	University 2018 £000	Consolidated 2017 £000	University 2017 £000
Academic departments	80,300	80,300	79,697	79,697
Academic services	20,904	20,904	20,412	20,412
Administration and central services	26,804	26,804	25,857	25,857
Premises	26,271	26,271	23,680	23,680
Residences, catering and conferences	14,101	14,101	16,897	16,897
Research grants and contracts	43,004	43,004	46,026	46,026
Other expenses	15,676	15,479	15,771	15,506
Pension cost adjustments	(111)	(111)	910	910
	226,949	226,752	229,250	228,985

12. Disposal of fixed assets

Gain on disposal of fixed assets	3,047	(3)	-	-
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The gain is respect of the disposal of surplus land by the Rowett Research Institution Ltd.

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 2017	531,379	548	38,099	277	53,479	7,465	631,247
Additions	4,131	1,073	21	-	4,843	106	10,174
Revaluation	-	-	(936)	-	-	-	(936)
Disposals	(45)	-	-	-	(4,298)	(488)	(4,831)
At 31 July 2018	535,465	1,621	37,184	277	54,024	7,083	635,654
Depreciation							
At 1 August 2017	38,912	-	-	-	41,904	2,803	83,619
Charge for the year	13,390	-	-	-	4,862	383	18,635
Impairment	1,678	-	-	-	-	488	2,166
Eliminated on disposals	-	-	-	-	(4,270)	(488)	(4,758)
At 31 July 2018	53,980	-	-	-	42,496	3,186	99,662
Net book value							
At 31 July 2018	481,485	1,621	37,184	277	11,528	3,897	535,992
At 31 July 2017	492,467	548	38,099	277	11,575	4,662	547,628

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 2017	530,153	548	33,268	277	53,479	7,465	625,190
Additions	4,131	1,073	21	-	4,843	106	10,174
Revaluation	-	-	(1,237)	-	-	-	(1,237)
Disposals	-	-	-	-	(4,298)	(488)	(4,786)
At 31 July 2018	534,284	1,621	32,052	277	54,024	7,083	629,341
Depreciation							
At 1 August 2017	38,854	-	-	-	41,904	2,803	83,561
Charge for the year	13,390	-	-	-	4,862	383	18,635
Impairment	1,678	-	-	-	-	488	2,166
Eliminated on disposals	-	-	-	-	(4,270)	(488)	(4,758)
At 31 July 2018	53,922	-	-	-	42,496	3,186	99,604
Net book value							
At 31 July 2018	480,362	1,621	32,052	277	11,528	3,897	529,737
At 31 July 2017	491,299	548	33,268	277	11,575	4,662	541,629

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 £25.5m (2017: £26.8m).

Consolidated and University fixed assets net book value at 31 July 2018 respectively include £37.2m (2017: £38.1m) and £32.1m (2017: £33.3m) in respect of investment properties that are required to be revalued on an annual basis. This was carried out on 31 July 2018 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 2018 £000	University 2018 £000	Consolidated 2017 £000	University 2017 £000
Tangible assets	494,634	493,511	504,590	503,422
Heritage assets	277	277	277	277
Intangible assets	3,897	3,897	4,662	4,662
Investment properties	37,184	32,052	38,099	33,268
	535,992	529,737	547,628	541,629

14. Non-current investments

	Endowments £000	Spin-Outs £000	Pensions £000	Other £000	Total £000
Consolidated					
At 1 August 2017	44,239	1,241	2,902	211	48,593
Additions	10,669	-	675	346	11,690
Disposals	(10,669)	-	(674)	-	(11,343)
Appreciation	2,335	(108)	134	-	2,361
At 31 July 2018	46,574	1,133	3,037	557	51,301

University					
At 1 August 2017	44,239	1,241	2,902	18,542	66,924
Additions	10,669	-	675	346	11,690
Disposals	(10,669)	-	(674)	-	(11,343)
Impairment	-	-	-	(519)	(519)
Appreciation	2,335	(108)	134	-	2,361
At 31 July 2018	46,574	1,133	3,037	18,369	69,113

	Consolidated £000	University £000
Other non-current investments consist of:		
Aberdeen Sports Village Ltd (Joint Venture)	-	17,812
CVCP Properties	43	43
Epidarex Capital	514	514
	557	18,369

The Group's subsidiary undertakings are listed in note 29.

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 £50.7m (2017: £48.4m)

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.

	2018 £000	2017 £000
Consolidated		
Income and expenditure account		
Deficit before tax	(519)	(834)
Balance sheet		
Fixed assets	20,025	20,878
Current assets	3,345	3,287
	23,370	24,165
Less: Restricted funding from SportScotland	(4,711)	(4,918)
Share of gross assets	18,659	19,247
Less: Creditors - amounts due with one year	(847)	(916)
Share of net assets	17,812	18,331

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 2018 £000	University 2018 £000	Consolidated 2017 £000	University 2017 £000
Stock of finished goods	141	141	256	256

17. Trade and other receivables

Trade debtors	8,293	5,218	5,469	5,469
Prepayments and accrued income	12,920	12,920	13,739	13,739
Amounts due from subsidiary companies	-	-	-	53
	21,213	18,138	19,208	19,261

The consolidated debtor figure includes £1.0m that falls due in over one year (2017: nil).

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

18. Investments

Short term deposits	-	-	1,385	1,385
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19. Creditors: amounts falling due within one year

Loans and leases	3,344	3,344	1,831	1,831
Research grants received on account	18,528	18,528	17,964	17,964
Other grants received on account	12,253	12,253	12,679	12,679
Trade creditors	5,617	5,617	4,945	4,945
Social security and other taxation payable	2,966	2,966	3,699	3,699
Accruals and deferred income	22,292	22,269	20,108	20,090
	65,000	64,977	61,226	61,208

Financial instruments included within creditors are carried at amortised cost.

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

	Consolidated 2018 £000	University 2018 £000	Consolidated 2017 £000	University 2017 £000
Loans	40,000	40,000	40,000	40,000
Finance lease obligations	24,979	24,979	28,382	28,382
Deferred income	95,290	95,290	96,226	96,226
	160,269	160,269	164,608	164,608

a. Loans are repayable:

Less than one year	-	-	96	96
Between one and two years	-	-	-	-
Between two and five years	10,000	10,000	10,000	10,000
In five years or more	30,000	30,000	30,000	30,000
	40,000	40,000	40,096	40,096

b. Finance lease net obligations committed:

Less than one year	3,344	3,344	1,735	1,735
Between one and two years	1,247	1,247	3,403	3,403
Between two and five years	3,816	3,816	3,778	3,778
In five years or more	19,916	19,916	21,201	21,201
	28,323	28,323	30,117	30,117

c. Deferred income

Less than one year	3,717	3,717	3,438	3,438
Between one and two years	3,180	3,180	3,319	3,319
Between two and five years	9,045	9,045	8,518	8,518
In five years or more	83,065	83,065	84,389	84,389
	99,007	99,007	99,664	99,664

Deferred income relates to capital grants received from government bodies.

Included in loans are the following:

Lender	Amount £000	Term Year	Rate %
Barclays Bank Plc	4,600	2031	5.415
Barclays Bank Plc	15,000	2036	3.000
Barclays Bank Plc	10,000	2036	3.072
Barclays Bank Plc	10,400	2036	3.195

Repayments are due in four payments of £10.0m, in September 2021, 2026, 2031 and 2036 respectively.

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

Leases

The University has entered into a leasing arrangement with British Linen Leasing Ltd, in respect of two halls of residence over a period of 25 years. £2.1m is payable in less than one year under this agreement which expired in October 2018.

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. £26.2m is payable under this agreement which expires in 2037.

21. Provisions for liabilities

a. Pension provisions	USS Deficit Obligations	Defined Benefit Obligations	Enhanced Pensions	Total Pension Provisions
	£000	£000	£000	£000
Consolidated and University				
At 1 August 2017	27,495	22,687	3,900	54,082
Charged to staff costs	-	4,376	-	4,376
Movements in year	-	-	(500)	(500)
Interest payable	509	620	-	1,129
Employer contributions paid	(1,789)	(4,008)	-	(5,797)
Administrative expenses	-	330	-	330
Changes in expected contributions	1,309	-	-	1,309
Actuarial gain	-	(13,255)	-	(13,255)
At 31 July 2018	27,524	10,750	3,400	41,674

Further information regarding the USS pension scheme and defined benefit obligation schemes is available in note 27.

The University has an obligation in respect of former employees who have retired and for whom an enhanced pension has been provided. This liability is assessed by independent actuarial valuation (see note 27) and continues throughout the retirement period.

b. Other provisions	International Campus	Student Accommodation	Waste Disposal	Total
	£000	£000	£000	£000
Consolidated and University				
At 1 August 2017	-	2,500	60	2,560
Charged in year	690	440	-	1,130
Utilised in year	-	(2,500)	-	(2,500)
Released in year	-	-	-	-
At 31 July 2018	690	440	60	1,190

The University is in discussion with our South Korean partners regarding the ongoing viability of opening the campus in South Korea. As a result the University has provided for £0.7m for the repayment of pre-establishment costs to our partners. Repayment of the pre-establishment costs is considered to be the most likely outcome but is subject to agreement between the partners, any alternative settlement would require further discussion and cannot be quantified at this time.

The University has also provided for £0.4m in relation to external student accommodation contracts.

The University has an obligation under Scottish Environment Protection Agency regulations to provide for the removal of "High Activity Sealed Sources" held within the Institute of Medical Sciences Building. It is expected that these sources will be removed within the next 10-15 years.

Other than disclosed above, other 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	2018 Total £000	2017 Total £000
Balance at 1 August 2017					
Capital	16,309	23,917	165	40,391	36,122
Accumulated income	-	5,256	151	5,407	5,192
	16,309	29,173	316	45,798	41,314
New endowments	-	62	-	62	84
Investment income	386	662	9	1,057	796
Expenditure	(386)	(251)	(62)	(699)	(665)
Net expenditure	-	411	(53)	358	131
Increase in market value of investments	820	1,499	16	2,335	4,269
At 31 July 2018	17,129	31,145	279	48,553	45,798
Represented by:					
Capital	17,129	25,751	180	43,060	40,391
Accumulated income	-	5,394	99	5,493	5,407
	17,129	31,145	279	48,553	45,798
Analysis by purpose					
Bursaries				2,009	1,857
Prizes				1,684	1,572
Scholarships				4,787	4,489
Teaching foundations				3,904	3,630
Other restricted purposes				12,191	11,415
Unrestricted				17,129	16,309
Unallocated unrealised gains				6,849	6,526
				48,553	45,798

23. Cash and cash equivalents

	Consolidated £000	University £000
At 1 August 2017	27,021	26,359
Cash flows	4,329	4,552
At 31 July 2018	31,350	30,911

24. Capital commitments

	2018	2017
	£000	£000
Consolidated and University		
Commitments contracted for	2,601	2,494
Authorised but not contracted for	7,785	2,335
	10,386	4,829

25. Amounts disbursed as agent

	Childcare Funds	Undergraduate Funds	Postgraduate Funds	2018 Total	2017 Total
Consolidated and University					
At 1 August 2017	-	7	-	7	6
Repaid as claw back	-	(7)	-	(7)	(6)
Allocation received in year	152	356	89	597	619
Interest earned	-	1	-	1	-
Expenditure	(132)	(419)	(46)	(597)	(612)
Transfer	(20)	63	(43)	-	-
At 31 July 2018	-	1	-	1	7

26. 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 Arts Centre	Charity	Operations	2	5
Aberdeen Sports Village Limited	Joint venture	Operations/Grants	172	1,535
Aberdeen University Students Association	Charity	Operations/Grants	4	925
British Academy	Customer	Operations/Grants	85	-
British Council	Government Body	Operations	-	89
British Heart Foundation	Charity	Operations/Grants	471	-
Carnegie Trust	Charity	Operations/Grants	4	2
Cruickshank Botanical Gardens Trust	Charity	Operations/Grants	5	12
HSBC plc	Customer	Operations	18	-
Law Society of Scotland Services Limited	Supplier	Operations	-	2
Rocking Horse Nursery	Customer/Supplier	Operations/Grants	70	491
Scottish Education Research Association	Charity	Operations	-	19
UCAS	Supplier	Operations	-	69
University of Aberdeen Development Trust	Charity	Operations/Grants	3,748	1,181

Outstanding balances owed from/(to) the above related parties at 31 July 2018 were as follows:

	2018	2017
	£000	£000
Aberdeen Sports Village Limited	(9)	24
Aberdeen University Students Association	-	(2)
British Heart Foundation	85	31
Cruickshank Botanical Gardens Trust	5	-
Rocking Horse Nursery	4	57
University of Aberdeen Development Trust	89	238

27. 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 pension costs

Pension Scheme	Employer	Employee	Active	2018	2017
	Contribution Rate	Contribution Rate	Members	£000	£000
As at 31 July 2018					
UASLAS	24.2% ¹	7.05%	642	2,608	2,184
SPF	35.1%	Variable	26	191	160
USS	18.0% ²	8.0%	1,893	15,093	15,107
STSS	17.2%	Variable	5	45	65
NHSSS	14.3%	Variable	17	103	72
				18,040	17,588

¹ The UASLAS employer contribution rate includes a 5.8% contribution towards the elimination of the funding shortfall. The employer contribution rate increased from 17.5% to 24.2% following the conclusion of the 2016 valuation exercise. A member consultation exercise was undertaken in the summer of 2018 and has resulted in a reduction in benefits and revised contribution rates (employer 18.3%, employee 8%) from 1 January 2019.

² The USS employer contribution rate includes a 2.1% 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	2.7%	3.6%	2.4%	21.4	23.7	23.4	25.8
UASLAS	2.9%	3.4%	CARE 2.4% Final Salary 3.4%	21.2	23.7	22.6	25.5

In calculating USS pension provision at 31 July 2018, the University used the discount rate (2.14%) provided by the British Universities Finance Directors Group (BUFDDG) and a future salaries increase rate of 5% for five years and 4% thereafter.

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. The University has started to work with the trustees of the UASLAS and SPF schemes to understand the extent to which the judgment may give rise to additional defined benefit pension liabilities. The extent to which the judgment will increase the liabilities in these schemes is not possible to estimate at the date of this report. For the University's other defined benefit scheme, including 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.

27. Pension schemes - continued

The Universities Superannuation Scheme (USS)

The University participates in the 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. Court is satisfied that the scheme provided by the 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 funding plan in existence at the date of approving the financial statements.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2014 (the valuation date), which was carried out using the projected unit method. The valuation as at 31 March 2017 is underway but not yet completed.

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

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the Scheme was £41.6 billion and the value of the Scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. These figures will be revised once the 2017 Scheme Valuation is complete.

Defined benefit liability numbers for the Scheme for accounting purposes have been produced using the following assumptions as at 31 March 2017 and 2018.

	2018	2017
Discount Rate	2.64%	2.57%
Pensions increases (CPI)	2.02%	2.41%

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31 March 2018 accounting position, based on updated 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:

	2018	2017
Mortality base table	<p>Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females</p> <p>Post retirement: 96.5% of SAPS SINMA "light" for males and 101.3% of RFV00 for females</p>	<p>98% of SAPS SINA "light" YOB unadjusted for males.</p> <p>99% of SAPS SINA "light" YOB with a -1 year adjustment for females.</p>
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	2.41% CMI_2014 with a long term rate of 1.5% p.a.

The current life expectancies on retirement at age 65 are:

	2018	2017
Males currently aged 65 (years)	24.5	24.4
Females currently aged 65 (years)	26.0	26.6
Males currently aged 45 (years)	26.5	26.5
Females currently aged 45 (years)	27.8	29.0

	2018	2017
Scheme assets	£63.6bn	£60.0bn
Total scheme liabilities	£72.0bn	£77.5bn
Total scheme deficit	£8.4bn	£17.5bn
Total funding level	88%	77%

27. Pension schemes - continued

The Universities Superannuation Scheme (USS)

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 2014 actuarial valuation requires employers to contribute 2.1% of salaries towards repairing the deficit over a period of 17 years, of which 14 years remain. Details of this provision, which has been discounted at a rate of 2.14% as at 31 July 2018, 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 has been undertaken but has not been formally completed. The total pension liability for the whole multi-employer scheme at 31 March 2017 is estimated to increase significantly to £7.5bn and the USS Trustee has therefore concluded that in order to maintain the Scheme's current level of benefits the combined employer and employee contribution rate needs to increase. A Joint Expert Panel (JEP) has been established to assess the valuation and delivered its report in September 2018. The JEP's findings suggests a significantly lower deficit position which may lead to the Trustee proposing alternative changes to benefits and/or contribution levels. The Trustee has subsequently indicated that a further valuation will be undertaken as at 31 March 2018, which must be completed by 30 June 2019.

In the judgment of the University, as the 2017 valuation is not formally completed, and there remains various stages of consultation around the key factors specifically relating to the funding of the past deficit, including the level of deficit contributions required, the period of the recovery plan and the level of asset performance over the period, it remains appropriate at 31 July 2018 to continue to account for the past deficit obligation in accordance with the funding plan agreed after the 2014 actuarial valuation, applying a deficit funding rate of 2.1%. However, there is a significant risk that the 31 July 2018 year-end provision as calculated will not reflect the position following the final outcome of negotiations, potentially by a very significant amount depending upon what is agreed as regards future deficit contributions and their duration. The University expects to have greater clarity in this respect during the next financial year.

The following indicative sensitivity analysis outlines the potential impact on the University's 31 July 2018 provision liability of £27.5 million, which is calculated using the 2014 deficit funding rate of 2.1%. The sensitivity assumes an unchanged discount rate of 2.14%:

- The impact of a 1% increase to the employer deficit recovery rate to 3.1% results in a provision value of £39.9m (this would require a provision increase and charge to the income and expenditure statement of £12.4m).
- The impact of a 3.9% increase to the employer deficit recovery rate to 6.0% results in a provision value of £73.3m (this would require a provision increase and charge to the income and expenditure statement of £45.8m).

An employer deficit recovery rate increase of 3.9%, from 2.1% to 6.0% has been indicated in communications from the USS as a possible outcome and therefore is included in the sensitivity calculation above. The actuarial valuation and notification of revised deficit contributions is expected to be finalised in the financial year ending 31 July 2019 and the revised provision, as required, is expected to be recognised in the financial statements for this year.

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 7.05% of pensionable salary 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 5.8% of active members' pensionable salaries to eliminate 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 18.3%, employee 8%) from 1 January 2019.

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 2017/18 the Trustees met five times.

27. Pension schemes - continued

Scheme Assets	2018	2017
	Fund Value	Fund Value
	£000	£000
Equities	68,043	91,660
Property	16,947	12,560
Government bonds	11,168	3,331
Corporate bonds	13,814	4,131
Index linked bonds	40,958	36,533
Secure pensions	1,056	1,170
Cash	4,151	120
	156,137	149,505

At 31 July 2018, the defined benefit deficit of the scheme was £10.8m (2017: £20.8m).

Following the 31 July 2016 valuation that reported a deficit of £9m on the Scheme the University provided security over various investment properties to underwrite the deficit and agreed to repay it over a 10 year period. In addition, future employer contributions increased by 6.7% which is unaffordable and as a result a consultation was held with members and those eligible to join the Scheme during the summer of 2018. Following the consultation, the Scheme remains a defined benefit scheme, however from 1 January 2019 employer contributions will reduce to 18.3% and employee contributions will increase to 8% with future pension benefits earned at a lower accrual rate.

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	2018	2017
	Fund Value	Fund Value
	£000	£000
Equities	11,874	12,256
Bonds	4,082	2,417
Property	2,041	1,899
Cash	556	690
	18,553	17,262

At 31 July 2018, the defined benefit surplus of the scheme were £0.7m (2017: deficit of £1.9m). 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.

27. 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:

	2018	2017
Discount Rate	2.9%	2.7%
Pension Increases	2.4%	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:

		2018	2017
		£000	£000
Old Scheme	Academic staff	138	153
	Support staff	9	12
New Scheme	Academic staff	106	110
	Support staff	35	35
Total		288	310

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

	2018	2017
Results	£000	£000
Liability on this basis at 31 July	3,400	3,900

27. 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.

	2018	2017
	£000	£000
Analysis of amounts recognised in surplus/(deficit) for the year		
Employer service cost	4,376	4,123
Administrative costs	330	330
Net interest cost	620	951
	5,326	5,404
Analysis of other comprehensive income		
Actuarial gains	7,647	2,642
Return on assets excluding amounts in net interest	5,608	15,780
	13,255	18,422
Analysis of amount shown in the balance sheet:		
Actuarial value of scheme liabilities	(185,449)	(189,455)
Fair value of assets	174,699	166,768
Defined benefit liability at end of year	(10,750)	(22,687)
Reconciliation to the balance sheet:		
Defined benefit liability at end of previous year	(22,687)	(39,119)
Current service cost	(4,376)	(4,123)
Net interest charge	(620)	(951)
Administrative costs	(330)	(330)
Employer contributions	4,008	3,414
Actuarial gain	13,255	18,422
Defined benefit liability at end of year	(10,750)	(22,687)
Change in actuarial value of scheme liabilities:		
Scheme liabilities at prior year end	189,455	189,867
Employer service cost	4,376	4,123
Interest cost	5,077	4,530
Scheme participants contributions	94	93
Actuarial (gain)	(7,647)	(2,642)
Benefits paid from scheme assets	(5,906)	(6,516)
Scheme liabilities at current year end	185,449	189,455

27. Pension schemes - continued

	2018	2017
	£000	£000
Change in scheme assets:		
Fair value of assets at prior year end	166,768	150,748
Administrative expenses	(330)	(330)
Interest income	4,457	3,579
Actuarial gain on assets	5,608	15,780
Employer contributions	4,008	3,414
Scheme participants contributions	94	93
Benefits paid from scheme assets	(5,906)	(6,516)
Fair value on assets at current year end	174,699	166,768

Five-year history of assets and liabilities:	2018	2017	2016	2015	2014
	£000	£000	£000	£000	£000
Deficit in the schemes:					
Actuarial value of scheme liabilities	(185,449)	(189,455)	(189,867)	(165,124)	(151,674)
Fair value of assets	174,699	166,768	150,748	135,291	124,469
Deficit in the scheme	(10,750)	(22,687)	(39,119)	(29,833)	(27,205)

28. Lease obligations

Total rentals payable under operating leases:	2018	2017
	£000	£000
Payable during the year	486	505
Future minimum lease payments due:		
Not later than one year	301	342
Later than one year and not later than five years	546	900
	847	1,242

29. 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 Conference Centre Limited	Dormant
Aberdeen University Press Limited	Dormant

30. 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	Consolidated	University
	2018	2018	2017	2017
	£000	£000	£000	£000
Assets measured at fair value through income or expenditure				
- Amounts included in non-current assets (note 14)	50,744	50,744	48,382	48,382
- Current asset investments (note 18)	-	-	1,385	1,385
Assets measured at cost less impairment (note 17)	21,213	18,138	19,208	19,261
Liabilities (excluding loans) measured at amortised cost (note 19)	61,656	61,633	59,395	59,377
Loan commitments measured at amortised cost (note 20)				
- Loans	40,000	40,000	40,096	40,096
- Finance lease obligations	28,323	28,323	30,117	30,117

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 2018, 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 Barclays Bank loan facility and finance leases 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 rate attached to the loan facility is fixed over the term. Due to the low interest rate environment most of the University cash deposits at the 31st July 2018 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 10 George Street Edinburgh EH2 2DZ

GLOSSARY

AFGrica Unit	The AFGrica Unit in South Africa, in conjunction with the University of Cape Town (UCT), is the world's first international research centre for tackling fungal infections
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
BBSRC	Biotechnology and Biological Sciences Research Council
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
Continuing Professional Development (CPD)	Continuing professional development (CPD) is the intentional maintenance and development of the knowledge and skills needed to perform in a professional context. This could mean honing current skills, it could mean developing them to a new level, or it could mean learning new ones that will allow an employee's job role to expand or prepare them for potential promotion
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
Doric	Scots language spoken in the northeast of Scotland
EPSRC	Engineering and Physical Sciences Research Council
ESRC	Economic and Social Research Council
FRS102	Financial Reporting Standard – single set of accounting standards developed by the Financial Reporting Council (FRC) that has replaced UK GAAP
Gateway2Medicine	Our Gateway2Medicine (G2M) programme has been designed to transform the aspirations and ambitions of secondary school pupils from a widening access background in Scotland, and who may have considered that application to medical school is too ambitious, unrealistic and out of their reach. In our unique partnership with North East Scotland College (NESCOL), our G2M course will provide a novel, accessible and supportive route into medicine for these applicants, that will allow them to reach their full potential and become doctors

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
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
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
National Student Survey	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
NERC	Natural Environment Research Council
NHSSS	National Health Service Superannuation Scheme (UK)
North Coast 500	The North Coast 500 is a 516-mile scenic route around the north coast of Scotland, starting and ending at Inverness Castle. The route is also known as the NC500 and was launched in 2015, linking many features in the north Highlands of Scotland in one iconic touring route
Operating Board	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
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
PGDE DLITE	Post Graduate Diploma in Education - Distance Learning Initial Teacher Education Programme
QS World University Rankings	An annual publication of university rankings by Quacquarelli Symonds
RDEC	Research and Development Expenditure Credit – a UK tax incentive designed to encourage large organisations to invest in research and development

Remuneration Committee	A committee of Court to advise on matters relating to the pay and conditions of senior staff
Research Excellence Framework	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
THE World Rankings	An annual publication of university rankings by Times Higher Education (THE) magazine
UASLAS	University of Aberdeen Superannuation & Life Assurance Scheme
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
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
PGDE DLITE	Post Graduate Diploma in Education, Distance Learning Initial Teacher Education

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