THE GLASGOW SCHOOL OF ART

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 JULY 2023
SC002271

INTRODUCTION

STRATEGIC REPORT

DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

AUDIT REPORT

FINANCIAL STATEMENTS

INTRODUCTION

The Directors present their Annual Report and the audited Financial Statements for the Year ended 31 July 2023. The financial statements consolidate the results of the Group, comprising Glasgow School of Art, The Glasgow School of Art Development Trust, GS of A Singapore Pte Ltd and GSA's, now dissolved, joint venture, The Centre for Digital Documentation and Visualisation LLP (CDDV).

Glasgow School of Art is a Company Limited by Guarantee (Company registration number SC002271) and is a registered charity in Scotland (Registered number SCO12490); having its registered office at 167 Renfrew Street, Glasgow G3 6RQ

Copies of these financial statements can be obtained by contacting the registered office.

Office bearers

Patron	The former Prince of Wales and Duke of Rothesay
Hon. President	Mr Stewart Grimshaw
Hon. Vice President	Professor Anthony Jones CBE
Chair	Ms Ann Priest MBA FRSA Ctext FTI
Vice Chair	Ms Kristen Bennie BA
Vice Chair	Mr Habib Motani
Director	Professor Penny Macbeth BA(Hons), MA, FHEA
Deputy Director (Academic)	Ms Rachel Dickson
Deputy Director (Research & Innovation)	Professor Irene McAra-McWilliam OBE
Director of Finance	Mr Andrew Menzies
Company Secretary	Mr Andrew Menzies (to 6 September 2023)
Interim Registrar and Secretary	Stephen Marshall (from 29 September 2022 to 31 July 2023)
Secretary and Registrar	Ms Emma Williams (from 4 September 2023)

Advisors

Solicitors	Thorntons Law LLP Whitehall House, 33 Yeaman Shore, Dundee DD1 4BJ
External Auditor	Anderson Anderson & Brown Audit LLP 81 George St, Edinburgh, EH2 3ES
Internal Auditor	MHA Henderson Loggie (to 31 July 2023) The Vision Building, 20 Greenmarket, Dundee, DD1 4QB
	BDO (from 1 August 2023) 2 Atlantic Square, 31 York Street, Glasgow, G2 8NJ
Principal Bankers	Bank of Scotland plc 235 Sauchiehall Street, Glasgow, G2 3EY

STRATEGIC REPORT

Background

Past, present and future

The Glasgow School of Art evolved from the UK's first school of art, established in 1753 to deliver a 'European-style' art education during the Scottish enlightenment; transitioning, first, into the Glasgow Government School of Design, a centre of creativity promoting good design for the manufacturing industries, at a time when Glasgow was an international industrial power-house; and subsequently into the Glasgow School of Art, embracing, in the late 19th century fine art and architecture education and, today, digital technology and innovation design, so becoming pivotal to Glasgow's post-industrial regeneration as a globally recognised centre for culture and creativity networks. Throughout that journey, our purpose has remained the same - to contribute to a better world through creative education and research.

The Glasgow School of Art is internationally recognised as one of Europe's leading specialist higher education institutions and is consistently ranked as one of the top creative institutions in the world. Our international standing is rooted in the quality of our education and research; our international partnerships with 80 of the world's leading art and design universities alongside academic partners in science, engineering, business, industry and the third sector; our student community with over 35% international students; and our Creative Network of over 22,000 alumni, working, practicing and making across the world in the cultural and creative sectors and broader economy. We understand the value and importance to our Scottish students who benefit greatly from studying within a global creative community and world-class learning environment.

Our contribution to Scotland's higher education sector and more broadly to Scotland's economy, culture and soft-power is significant. We continue to contribute to Glasgow's position as one of the UK's most successful city-economies. Central to this contribution are our students, staff – creative practitioners and academics of international and national significance – and our graduates.

Glasgow is an entrepreneurial city, the largest economy in Scotland with the third-highest GDP per capita of any city in the UK, and Glasgow's creative industries are a major source of economic growth and employment. The City's creative industries, together with its major cultural institutions, including The Glasgow School of Art, have a global reputation and influence that builds on Glasgow's position as a European cultural capital, making it one of the UK's most successful city-economies. The GSA has a significant role to play from the economic impact of our staff, and students, and with nearly 60% of our graduates remaining in the city working within the creative and cultural industries, the wider economy or through establishing their own businesses. Importantly, they all contribute to the City's cultural infrastructure through exhibitions, events and their international networks.

With campuses in Glasgow and a significant rural hub in Altyre in the Highlands of Scotland, our ability to work across two places, rural and urban offers considerable opportunities for our education and research and the contribution and impact we can make.

Institutional structure and portfolio

During 2022/23, Glasgow School of Art's teaching and research was structured around its five academic schools:

- The Mackintosh School of Architecture
- The School of Design
- The School of Fine Art
- The School of Simulation and Visualisation
- The Innovation School.

From 1 August 2023, GSA established a new academic School - the School of Innovation and Technology. The School brings together the internationally recognised education, research and innovation strengths of the School of Innovation and School of Simulation and Visualisation, which both ceased to exist from that date.

Overview of 2022/23

In 2022/23, the post-pandemic relaxation in public anxieties and global travel restrictions, signalled the recovery of student recruitment, with the decline in student numbers of the previous year being wholly reversed, and actually representing growth on pre-pandemic levels.

The academic year started with the good news that QAA's re-review concluded that GSA now has effective arrangements for managing academic standards and the student experience. One of the commendations in the ELIR Re-review was the identifiable shift in culture across the GSA, not only in the development of our response to the ELIR but also in the development of our strategic plan. During the year, in support of our Strategic Plan, we published more detailed plans in the form of our Education Strategy and our Research Strategy. We also formalised our enabling plans by publishing our People Strategy, and our Digital Strategy, both aligned with our previously published Estates Strategy and rolling Financial Plan.

The National Student Survey (NSS) provides an opportunity for final year, undergraduate students to give their honest feedback about what it has been like to study on their course. 78% of GSA students responded to the survey this year, 2 percentage-points up on last year and higher than both the Scottish sector-wide response (71%) and the UK-wide response (72%). The survey saw overall satisfaction at GSA improve by 8 percentage-points from 65% last year to 73%, building on the 12 percentage-point increase of the previous year. Our other students, at both post graduate and undergraduate level, are invited to contribute to our internal student experience survey (SES) using, the same question set as NSS. At undergraduate level, the SES overall satisfaction continued last year's trend of improvement, increasing from 70% in 2022 to 78% in 2023, an increase of 8 percentage-points. For postgraduate taught students, the SES overall satisfaction also saw further improvement on last year's 13 percentage-point rise, increasing from 78% to 84%, a further increase of six percentage-points

During the year, we announced that from 1 August 2023, GSA would welcome a new academic School - the School of Innovation and Technology. The School brings together the internationally recognised education, research and innovation strengths of the Schools of Innovation and Simulation and Visualisation. The new School will explore, challenge and reinvent tomorrow's questions through collaboration and partnership, developing new academic programmes, research and knowledge exchange and graduates, expanding the reach and impact of the GSA and our collaborations with other universities, with Government and with international partners to engage in design led social transformation. The new School sits alongside and complements our academic strengths and specialisms within the Schools of Fine Art, Design and Architecture and opens up new opportunities for students and staff through collaboration and partnership both within the GSA and extending our reach and impact locally and internationally.

Our Estate continues to undergo transition. Using funding from the Scottish Funding Council's Financial Transactions Scheme, in the form of a £10m loan, we have embarked on an extensive programme of work at the Stow Building to create an environment consistent with the needs of our workforce and expectations of our students and to address opportunities for energy and carbon savings. The completion of the first phase of that project saw the café and exhibition space open and over 2023/24 we will see the completion of the work in the remainder of the building.

There was material consequential damage to the Reid, Bourdon and Assembly Buildings, arising from the 2018 Mackintosh Building fire. Having already completed the remedial work to the Bourdon Building and the Assembly Building, this year saw the start of the reinstatement of the façade of the Reid Building. While in the years following the fire on-site works focussed on stabilising the remaining structure and clearing debris at the Mackintosh Building site, last year we began preliminary efforts in the building's reconstruction, including a start to reinstatement of the internal structure, to enable the building to become self-supporting, and the wrapping of the building, to protect it from the elements and to allow the structure to dry-out.

During this year, industrial action was called by our recognised Trade Unions following the outcome of the 2022/23 national pay negotiations. GSA, of course, respects the right of staff to take part in industrial action but sought to fulfil its obligation to minimise the disruption for our staff, students and visitors, placing student experience at the heart of decision making. This was particularly evident in terms of the University and Colleges Union members' boycott of marking and assessment activity, where we acted to ensure that marking and assessment took place for all progressing and graduating students, that degree awards were classified and awarded on actual grades, and that Degree Shows and graduation took place as normal and as scheduled. In addition, GSA took proactive steps during the year to ensure that all staff were paid at least the living wage; to make early payment of a portion of the 2023/24 pay award in response to concerns about the 'cost of living'; and to plan for the harmonisation of annual leave across academic and non-academic staff groups.

Our Plan for Our Future: Strategic Plan 2022-2027

Our Plan for Our Future: Strategic Plan 2022-2027 articulates the collective ambition for the future direction of The Glasgow School of Art. It has been developed collaboratively. We have engaged with over 400 internal and external stakeholders from across the GSA's community of staff, students, graduates and partners to inform, alongside externally produced foresight research and rigorous self-reflection and iteration, the development of our ambition for the future of The Glasgow School of Art and our Strategic Focus to 2027.

Our ambition

Through our people, our education and our research, we empower change and create impact that is both transformative and collaborative.

Our values guiding our behaviour and decision making

- Rooted in studio, making and collaboration.
- Deep specialism alongside interdisciplinary practice.
- A rich partnership approach to education, research and innovation.
- A culture that enables and empowers us in everything we do.
- A responsible and caring culture that values our people and our environments.
- A sustainable and equitable approach to our work.
- Always looking forward, while celebrating our past.

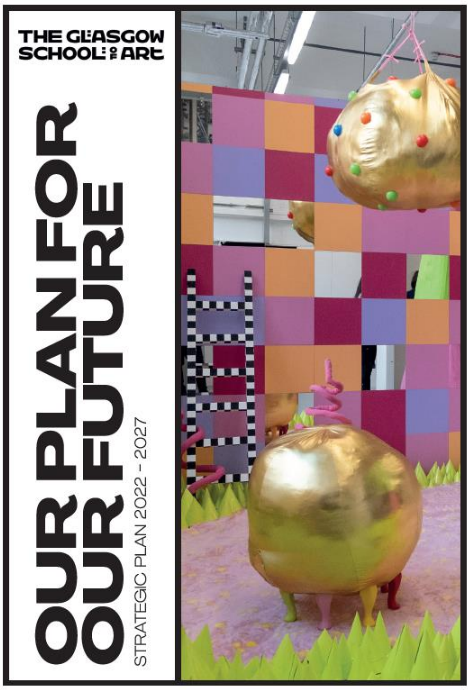
Our strategic focus to 2027

- **Transform our distinct models of creative education**
  Valuing our disciplinary strengths and traditions, we will deliver new inclusive ways of learning and teaching that provide greater opportunities for collaboration and flexibility, giving students more agency over how they learn and ways to make a positive impact through their practice.

- **Impact through creative research, innovation and partnership**
  Ground-breaking, dynamic, experimental and in partnership with organisations and individuals that share our mutual values and ambitions, together we will contribute to new knowledge and demonstrate the role of creative people and practice on society.

- **A sustainable, independent art school**
  Our practices, procedures and administrative systems will be creative, simple and efficient. We will energise our people, our resources and commitment to addressing the climate and ecological emergencies through innovation and working in a collaborative and transparent way.

Each one of these has clearly articulated aims and a number of key performance indicators, set out on the following pages.



Transform our distinct models of creative education

By 2027 our education will be renowned for the ways in which it positively transforms the lives of our students and those who benefit from the work they go on to do. To achieve this, we will work in partnership with our students to continuously enhance our pedagogies and curriculum, ensuring all students have equal opportunities to succeed, realise their ambitions and make a positive contribution to their communities. We will prioritise the student experience, including investing in our learning resources – workshops, library and technologies, archives and collections and cultural engagement, ensuring they all support student success.

Consistent with the specific objectives we set ourselves at this time last year, during 2022/23, we have:

- developed and approved our new Education Strategy;
- progressed our Common Academic Framework in line with the approved schedule;
- commenced the scoping, development and validation process of relevant new programmes aligned to academic school plans;
- appointed a Programme Manager to manage our approach to upskilling and commenced development of new CPD courses;
- launched our new School of Innovation and Technology;
- restructured our Technical Services;
- commenced development of new Internationalisation Strategy and Recruitment Strategy;
- implemented enhancements to our recruitment, admissions and enrolment processes; and
- reviewed our Fair Admissions in line with Universities Scotland Admissions Policy Group and wider UK sector.

In the coming year, we plan to:

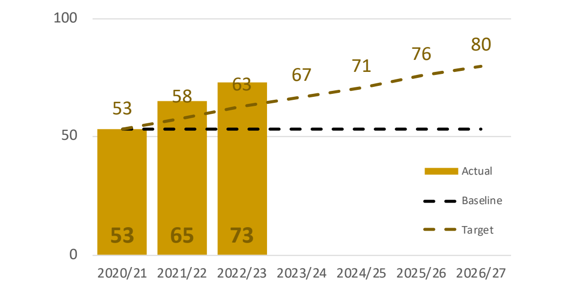
- implement the 'year 1' actions in our Education Strategy, which will be monitored by the Education Enhancement Planning Group;
- implement Stage 2 of our Common Academic Framework; which will not only revise our curriculum, embedding graduate skills and attributes, but will provide a common programme vocabulary and extend opportunities for collaboration across the whole of GSA;
- continue the scoping, development and validation process of relevant new programmes, strategically supported by a portfolio review framework;
- refresh our widening participation and articulation strategies;
- undertake an admissions review to ensure our processes and policies are fair, transparent and efficient;
- develop plans for post-Erasmus student mobility; and
- review and realise student enquiries function digital space to meet the needs of a changing student population and our multi-campus environment

The implementation of the transformation of our distinct models of creative education is monitored through a series of Lead Indicators:

NSS - Overall Satisfaction

The percentage of students who agree with the question in the National Student Survey of final year undergraduate - "Overall I am satisfied with the quality of my course".

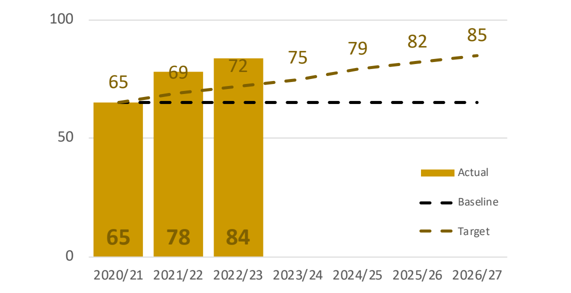
Our ambition is to grow NSS overall satisfaction to 80%. 2023 saw overall satisfaction reach 73%, a significant improvement on the baseline of 53% and exhibiting growth ahead of the rate of growth we had anticipated would be required to reach that target.



Postgraduate Taught - Overall Satisfaction

The percentage of students who agree with the question in GSA's Internal Post Graduate Student Experience Survey - "Overall I am satisfied with the quality of my course".

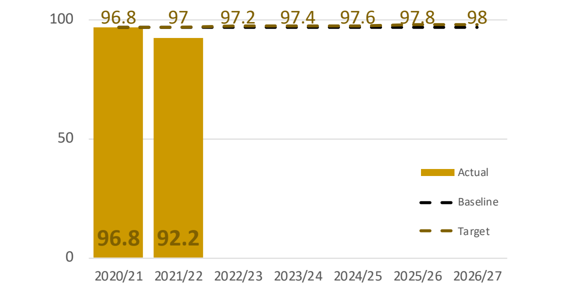
Our ambition is to grow overall PGT satisfaction to 85%. 2023 saw overall satisfaction reach 84%, a significant improvement on the baseline of 65% and continuing a trend of growth started last year, ahead of the rate of growth we had anticipated would be required to reach that target.



Continuation Rate

The percentage of students continuing following the year of entry.

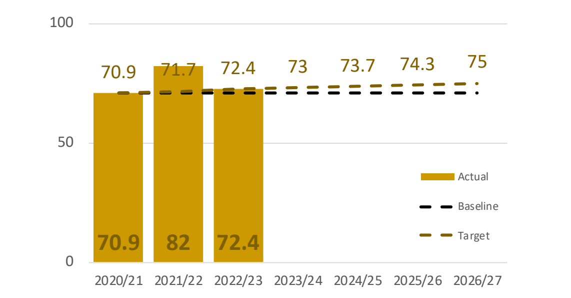
Our target is for very modest growth of our very high baseline continuation rate from 96.8% to 98%. 2020/21 entrants continuing into 2021/22 fell to 92.2%, someway short of the 97% expected for that year.



Graduate Outcomes

The percentage of students who enter graduate level occupations or go on to further study at a professional, HE level.

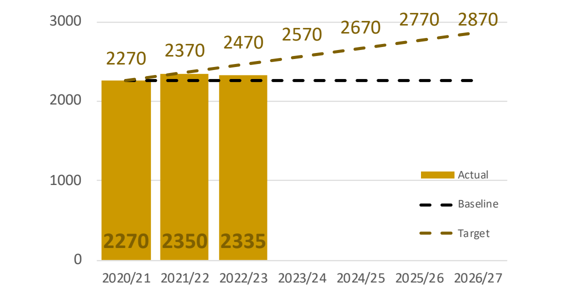
Our target is to reach 75%. Last year saw this rise form the baseline 70.9%, to 82%, well ahead of the rate of growth required to reach our target. However the most recently available result in respect of graduates from the academic year 2020/21, surveyed in 2022/23, saw a reduction to 72.4%, which, although down on last year, is consistent with the progress required to reach our final target.



Total Student Population

Full Time Equivalent students (FTE)

Our ambition is to grow overall student numbers from a baseline of 2,270 FTE to 2,870 FTE. While last year saw growth in student population to 2,350 FTE, that fell 20 FTE short of the trend required to reach our final target. 2022/23, at 2,335 FTE was 15FTE down on the previous year, with the gap between that and the expected number having grown to 135 FTE.



Impact through creative research, innovation and partnership

Our focus to 2027 is to create the environment in which our researchers can thrive, collaborate and deliver impact. We will establish new Research Labs as place-based centres for the concentration of our research, innovation and knowledge exchange activities, creating a knowledge ecology that supports our future research and educational ambitions. Our Labs will provide richer ways to collaborate together, engendering a positive and supportive environment for our staff. They will facilitate research intensity and growth, develop our research culture, support internal collaboration and create the conditions to attract new and more diverse research partnerships, growing its research intensity, income and impact.

The global community faces a complex range of critical issues including the climate emergency; sustainability; health and wellbeing; gender, race and social injustice; cultural and educational development. Addressing these issues requires adaptable problem-solvers with expertise in creative complexity to collaborate and work across disciplines. Our researchers do this, moving with great agility between the digital and physical realms, producing work that inspires people to see the world around them differently. They actively demonstrate the role of creative people and practice for the benefit of society, giving shape and form to ideas and concepts that do not yet exist and co-design solutions for positive change in a range of settings from local, to global making the world a better place.

Consistent with the specific objectives we set ourselves at this time last year, during 2022/23, we have:

- developed and approved our Research Strategy and identified our research themes;
- developed of school-level research plans;
- appointed a new Knowledge Exchange and Impact officer, Research and Innovation Funding Officer and Researcher Developer;
- delivered creative practice workshops and an international conference – *On Not Knowing: How Artists Teach*;
- established 'Rural Lab and begun initial development of our 'Civic Lab';
- delivered training and implemented our Research Mentoring Scheme, seeking to ensure that GSA's plans are aligned with strategic objectives for research and sectoral benchmarks, including the *Concordat to Support Career Development of Researchers*;
- started development of our post graduate research strategy;
- reopened 'Window on Heritage', maintaining our recognised museum status; and
- as part of Universities UK International '*Twin for Hope*' campaign to make a positive difference during the ongoing humanitarian crisis, GSA has twinned with Lviv National Academy of Arts in Ukraine (LNAA), with GSA drawing on its recent, extensive experience in archival conservation and recovery, following the Mackintosh Building fires in 2014 and 2018, to provide a training and mentorship package for archive staff at LNAA to digitalise their archive and collection and build capacity for future research that will draw on this material.

In the coming year, we plan to:

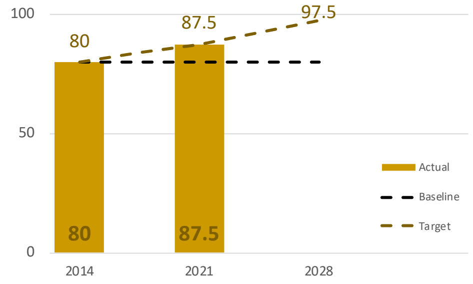
- Continue to invest the SFC Research Excellence Grant (REG) and Universities Innovation Fund (UIF) in the underpinning infrastructure which enables the creation of excellent research at the GSA, and provides the support and resources which help our research community to develop and grow.
- Continue to implement our Research Strategy focusing on: core values of integrity, partnership and inclusivity; interconnected development areas of research excellence, impact and leadership; capacity building, training and development for academic staff.
- Maintain positive progress in our preparations for the next Research Excellence Framework in 2028 by fully implementing the REF workstream plans, focusing on high quality research, research impact and people, environment and culture.
- Increase the volume of high-quality funding proposals, grants and projects supported by our expanded research and innovation funding team.
- Enhance the visibility and accessibility of our research and Public Engagement with Research (PER) through our exhibitions programme and GSA research showcase.
- Develop the new strategic plan for the growth and development of postgraduate research student programmes, including potential new delivery models.
- Maintain and grow our role as a core founding partner in the Digital Health and Care Innovation Centre, following its success in securing Scottish Government funding for a further 5 years; continue to develop our partnership with the Built Environment-Smarter Transformation innovation centre on a more strategic basis.
- Contribute to innovation and economic transformation priorities in Scotland, including through regional collaborations on initiatives such as Entrepreneurial Campus.
- Initiate the creation of a portfolio of core projects and funding following the appointment of first Rural Lab staff; and continue to develop plans for Civic Lab.

The implementation of Impact through creative research, innovation and partnership is monitored through a series of Lead Indicators:

Research Excellence Framework - Impact

The percentage of REF Impacts rated 4 and 3*, combined.*

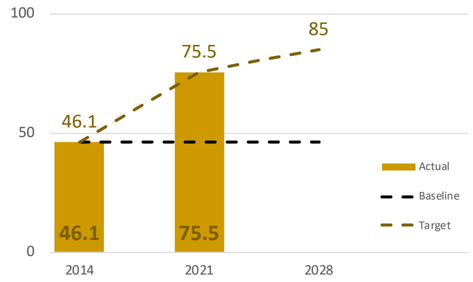
Although it is only possible to measure this Lead Indicator at each REF census date, we have set a target of continuing the trend of growth in the combined total of 4* and 3* impact case studies seen between REF 2014 (80%) and REF 2021 (87.5%), by setting a target of 95% for REF 2027.



Research Excellence Framework – Output

The percentage of REF Outputs rated 4 and 3*, combined*

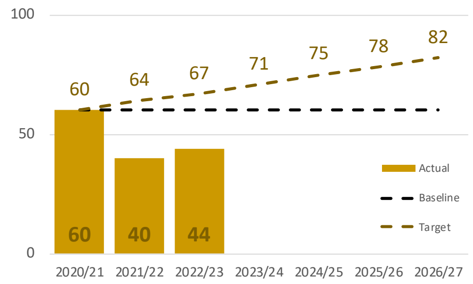
Although it is only possible to measure this Lead Indicator at each REF census date, we have set a target of reversing the decline in the combined total of 4* and 3* Outputs seen between REF 2014 (46.1%) and REF 2021 (75.5%), by setting a target of 85% for REF 2027.



Postgraduate Research Student Population

Headcount

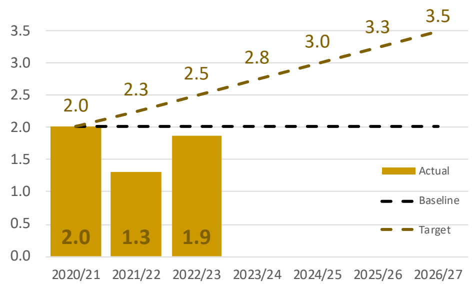
Our ambition is to grow our overall Post Graduate Research population numbers from a baseline headcount of 60 students to 82 students. Since the base line was established, the postgraduate research population has fallen, first to 40 students, before growing very modesty in 2022/23 to 44 students. That number lies 23 student short of those expected at that point, but the number of new PhD students due to start in 2023/24 increased significantly to 24.



Total Research Grant and Contract Income

From the audited Annual Report and Financial Statements.

Our target is to grow from a baseline of £2.0m to £3.5m. GSA participates in a small number of disproportionally large projects whose initiation and completion can lead to volatility in the annually reported research income. That volatility is evident in 2021/22's fall in this income source to £1.3m; ahead of its recovery in 2022/23 to £1.9m, still around £0.5m below the trend required to reach the £3.5m target. Ahead of 2023/24, we have increased the capacity of our support staff team to assist with research grant applications, and have developed strategic targets for each of our Schools.



A sustainable, independent art school

By 2027 we will have started the transformation of our Glasgow campus to support our academic ambitions and commitment to net zero, invested in our staff and ensured all parts of the GSA are contributing to our financial sustainability, in order to secure our future ambitions.

As a small, specialist, highly focused art school with a global reputation, we will continue to build our reputation and extend our reach, working in partnership with others and ensuring our students and staff have the best experience of studying and working here. This means we need to consider how to improve the way we work and the important role of all our staff and their contribution to us in achieving our strategic ambitions.

We will continue to engage all our staff in our plans for the future of the GSA and enable them to realise their inherent potential to effect change. We will empower them to maximise the effectiveness of our estate, IT and digital infrastructure and work to diversify our income streams allowing us to focus our investment areas of strategic priority. We want them to reinvigorate existing relationships and build new partnerships locally and internationally and be confident in articulating the values of the GSA, the creative education and research we undertake and the impact of our staff, students and graduates.

Consistent with the specific objectives we set ourselves at this time last year, during 2022/23, we have:

- **People**
  - Approved our People Strategy, with work ongoing linking career review, career framework and development opportunities.
  - Continued to improve our staff communication, ahead of our intention to formally develop a Staff Communications Strategy next year.
- **Estates and infrastructure**
  - Developed and approved our Environmental and Social Justice Framework.
  - Commenced implementation of our approved Estates Strategy including disposals of owned and leased buildings.
  - Started work on the reinstatement of the Reid Building façade.
  - Opened the Stow annex, to provide exhibition and social space.
  - Enhanced and expanded our student accommodation offer in Altyre.
  - Continued to progress the Mackintosh Building rebuilding with enabling works on site and enhanced stakeholder engagement.
  - Sought and achieved inclusion of the GSA's ambitions in Glasgow City Council's 'Golden Z' strategy for the surrounding neighbourhood.
  - Developed and approved our Digital Strategy.
- **Finance and funding**
  - implemented and rolled-forward our Financial Plan;
  - brought forward our new Development Strategy for approval in Autumn 2023; and
  - commenced evidence-based development of new Student Recruitment strategy.
- **Engagement**
  - progressed the initial redevelopment of our website; and
  - continued to refresh our narrative, building on our new Strategic Plan.

In the coming year, we have the following plans in relation to:

- **People**
  - Develop a shared understanding of what ethical leadership is by providing supportive resources/ toolkits for teams; identifying leadership development requirements; celebrating staff contribution and embedding ethical leadership practices across people related processes and policies leading to improved visibility of our values and core behaviours.
  - Continue to improve employee experience by prioritising staff health and wellbeing. We will do this by implementing a refreshed approach to managing and supporting absence; delivering a range of campaigns to support wellbeing and providing clarity on how to raise concerns and access support.

- **Estates and infrastructure**
  - Progress the rebuilding of the Mackintosh Building; complete the re-instatement of the 'green glass' on the Reid Building façade; and complete the works to the Stow Building, funded through an SFC Universities Financial Transactions loan.
  - Continue to progress our Estates Strategy, including progression of activity on disposals of owned and leased buildings.
  - Further role out of GSA's Environmental and Social Justice framework including creation of a carbon reduction plan and loan-funding bids for energy saving and carbon reduction measures.
  - Progress our Digital Strategy, including technology upgrades in two of our main learning spaces; improvement to the resilience of our computer networks by providing additional links between buildings; upgrades to wired and wireless networks; and implement improvements to our HR systems.

- **Finance and funding**
  - Undertake a comprehensive review of our Student Tuition fees and scholarships ensuring we remain internationally competitive and can continue to attract students based on talent, potential and ability.

- **Engagement**
  - Review our exhibitions and cultural engagement activities, ensuring they continue to contribute education and research but also our wider civic and professional audiences contributing to Glasgow's cultural and creative eco-system.
  - Develop a new community, stakeholder and civic engagement strategy that reflects our progress in rebuilding our relationships since 2018 and aligning our activity to our strategic ambitions and our contribution to Glasgow, Forres and the communities we are part of.
  - Launch our 'Phase 0' website ensuring our external digital presence is accessible and robust, embarking on a more comprehensive review of our digital architecture and estate, aligning to our approved digital strategy, and providing a roadmap for our external digital presence.

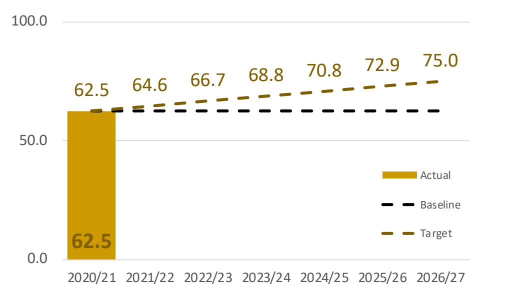
Our journey towards a sustainable, independent art school is monitored through a series of Lead Indicators:

People

Staff Engagement

Measured by the response rate to our periodic Staff Survey

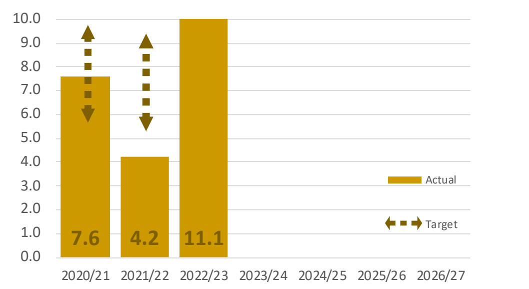
Averaging the response rates of our 2016 and 2019 staff surveys, we set a base line of 62.5% response rate, which we hope will grow to 75%. In 2022/23 a Neutral Assessment was undertaken in partnership with a cohort of 90 staff from across GSA. During 2023/24 a new staff survey will be launched, with supporting communication to encourage completion, so providing a new baseline for staff participation on which to build.



Staff Turnover

Measured by the annually published University and Colleges Employers Association (UCEA) Employee Turnover Benchmarking dashboard

Our target is to record turnover with 2% (+/-) of the Scottish median. With turnover of 4.2% in 2021/22, unusually low for GSA and compared to many of our peers, we sat 2.9 percentage-points away from that year's Scottish median of 7.1%. Most recently, 2022/23 saw our turnover increase to 11.1%, but we do not yet have sectoral data with which to compare that outcome.



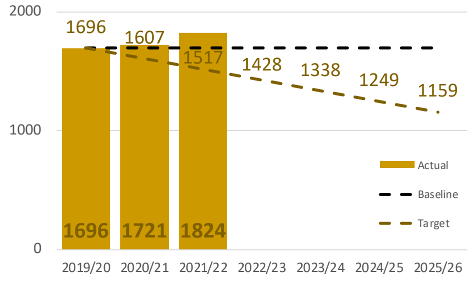
Estates & infrastructure

Operational Carbon Footprint

From the audited Annual Report and Financial Statements.

Our target is to achieve CO_2 emissions of 1,159 tCO_2e per annum. Consistent with our emergence from the COVID pandemic, our usage has shown some growth from the 1,696 tCO_2e baseline, first to 1,721 tCO_2e and most recently to 1,824 tCO_2e in 2021/22.

The target will be reviewed and reset through our work on developing a carbon reduction plan over 2023/24.

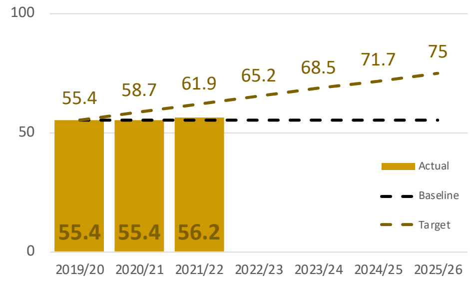


Quality of the Estate

Non-residential buildings condition assessment category A and B, combined

Our Target is for 75% of our buildings to reach either Condition A (‘as new’ condition) or Condition B (sound, operationally safe and exhibiting only minor deterioration). Since the baseline assessment, of 55.4% of our buildings meeting that criteria, we have made only modest improvement, to 56.2%.

With envisaged reduction in funding available for maintenance and capital works over the coming year, this target will be reviewed and reset in 2023/24.

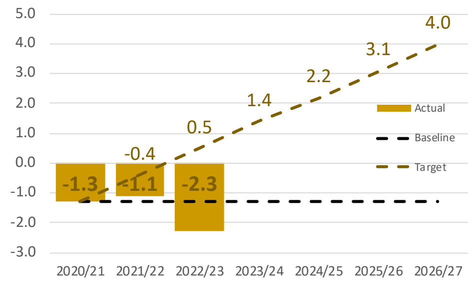


Finance

Operating Surplus

Operating Surplus as a % of total income (excluding exceptional items)

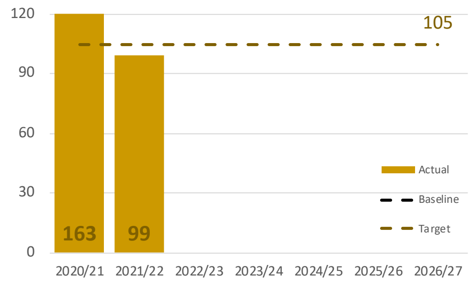
Our target is to achieve an operating surplus equal to 4% excluding any exceptional items (notably those relating to ongoing insurance issues). Our progress towards that target was hindered in the current year by higher-than-expected inflation; the unbudgeted cost associated with the early implementation of a portion of the next year’s pay award, in response to prevailing economic circumstances and an unbudgeted provision for dilapidations arising from our impending vacation of the McLellan Galleries.



Liquidity

Days ratio of net liquidity to annual expenditure (excluding exceptional items)

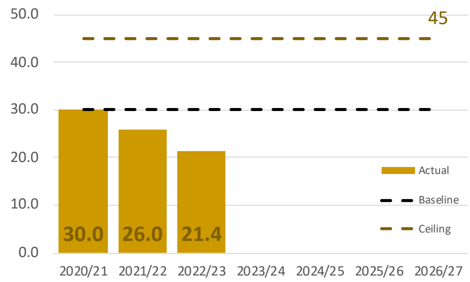
Our target is to hold a cash balance equal to 105 days (~3½ months) of operating expenditure at the balance sheet date. Our baseline position was 163 days, which diminished in 2021/22 to 99 days.



Gearing

Operating Surplus as a % of total income (excluding exceptional income)

Our target is to maintain a level of borrowing below 45% of total income (excluding exceptional income). With repayment of borrowing, and the natural dilution in gearing as income has grown, we currently live comfortably within that ceiling; and without any current plans for new borrowing seem likely to remain so.



Principal risks and uncertainties

Student numbers

GSA needs to recruit sufficient student numbers to meet its projected levels of income and so protect its financial sustainability. The risks associated with student recruitment are diverse, including issues of competition, demography, government immigration policy, geo-political issues and both the UK and wider international economies.

Historically, GSA has focussed its mitigation efforts on seeking to promote the attractiveness of its offering, the success of which continues to be evidenced in a strong stream of applications from well-qualified students. Going forward we will seek to capitalise on the high demand for places at GSA through refinement of our conversion practices.

Consistent with our strategic plan, we will fortify our student recruitment through developing and offering new ways, new routes and new modes to study at the GSA.

GSA hopes to reduce its reliance on key markets, by seeking to diversify the population of international students.

Higher Education funding

GSA recognise the inherent risks in the Scottish and UK HE sectors including erosion of the teaching 'unit of resource' as a consequence of prolonged inflation in economy and zero growth in Scottish or RUK fee levels; a lack of capacity for funded home students associated with the Scottish Funding Council's distribution of funded numbers among institutions, the uncapping of numbers for loan-funded students to study in England and the demography of under 18s in the UK; all of which, separately and together, are a threat to our financial sustainability.

Of late, the Scottish Funding Council has been receptive to the Sector's aspiration to see some improvement in the unit of resource for Scottish students, albeit modest so far; and have signalled their readiness to work with the sector to seek to optimise the distribution of funded numbers among institutions, albeit that the overall numbers will remain constrained.

Physical environment

Glasgow School of Art's physical environment can also play a part in the student experience and the attractiveness of an institution to potential students, as well as playing a part in achieving value for money and in supporting efforts to improve environmental sustainability.

The impact of the fires at GSA has inevitably had an impact on our estate over recent years, heightening the risks associated with the physical environment. Our early mitigation of those risks was centred on the acquisition and refurbishment of the Stow Building to form studio, technical support, workshop and ancillary spaces for the School of Fine Art. We are currently utilising the loan, from the Scottish Funding Council under the Universities Financial Transactions Programme, to fund the further improvements to carbon efficiency and student and staff experience at the Stow Building.

There was material consequential damage to the Reid, Bourdon and Assembly Buildings, arising from the 2018 Mackintosh Building fire. Having already completed the remedial work to the Bourdon Building and the Assembly Building, this year saw the start of the reinstatement of the façade of the Reid Building.

GSA recognises the challenge of funding the reinstatement of the Mackintosh Building. Our mitigation of that risk focusses on both the careful consideration of the management and phasing of the reinstatement project, and the systematic management of the associated financial and cash-flow issues - including the complex insurance claim, application of restricted funds held or pledged to support the project and progressing, if and when appropriate, the potential for philanthropic support.

Duty to promote the success of the Company

The directors have given careful consideration to the requirements of Section 172 of the Companies Act 2006 to act in good faith to promote the success of the Company for the benefit of its members as a whole and in doing so have regard, amongst other matters, to:

The likely consequences of any decision in the long term;

Last year, GSA published a new strategic plan 'Our Plan for Our Future: Strategic Plan 2022-2027' which articulates the collective ambition for the future direction of The Glasgow School of Art. It has been created through extensive and structured conversations with people who care passionately about the School alongside a considered evaluation of the current economic context in which we will deliver our creative education, research and innovation.

Our plans have our academic endeavour at their centre, setting out our ambition that through our people, our education and our research, we will empower change and create impact that is both transformative and collaborative. Those plans are founded on enabling strategies promoting the talents of our staff, the sustainability of our finances and the effectiveness of our estates and infrastructure.

The interests of the company's employees

GSA is committed to working with its workforce to develop Fair Work practices

This year saw the approval of GSA's first People Strategy, the purpose of which is to enable the ambitions of the strategic plan by setting out a vision for the GSA workforce and the actions required to get there. The People Strategy has been informed by the listening the institution did through the *AndThen* Workshops, Thematic Listening Groups, staff forums during and the recent Neutral Assessment and our equality outcomes. Based on this feedback, the vision of the People Strategy is for the Glasgow School of Art to be a great place to work, where people are empowered to drive change and create impact that is both transformative and collaborative.

The People Strategy will be delivered through actions associated with its eight pillars of Ethical leadership; Career Framework; Workforce Planning; Nurturing talent and capability; Employee experience; Pay and Reward; New ways of working; and an Efficient, Enabling and Trusted HR Function. Through this People Strategy we will:

- Develop a skilled, sustainable workforce by undertaking effective consultation, planning, recruitment and development.
- Work together and with our Trade Union colleagues to develop transparent mechanisms for employee voice and engagement founded on trust and respect.
- Enhance the support available for the health and wellbeing of our staff and also work to improve the diversity of our workforce.
- Nurture talent and develop capability by investing in our people through improved career review mechanisms, development of a career framework and resources that support career progression, succession planning and continuous professional development.
- Reward, celebrate and recognise the contributions of our people to our collective success.
- Build resilience and capability for new ways of working - challenging ourselves to be adaptive and forward thinking.

The first year of the People Strategy will build the foundations that will embed ethical leadership and consolidate robust people practices, policy, workflows and data. Thereafter, people interventions including the career framework, supporting manager capability, leadership development and workforce planning will be implemented.

The need to foster the company's business relationships with suppliers, customers and others

Students are at the centre of what we do. In 2022 we developed the School's first ever Student Partnership Agreement with the Glasgow School of Art Students Association (GSASA). We have together set an ambition to develop a true and meaningful culture of partnership with students throughout everything we do. In working towards our mutual goals GSASA, as the representative body of students, and GSA have developed this Agreement to set out our ambitions for partnership, the ways we will collaborate, and our joint priorities.

The Student Partnership Agreement is overseen by our Student Partnership Group, a collaborative community of students and staff from across the School who work to ensure our success and challenge our ambitions. GSA and GSASA have agreed to work in partnership on 3 partnership priorities to improve the student experience.

- **Sustainability & Climate Literacy:** GSA & the GSASA recognises the growing need for staff and students to develop core literacies and practice in climate change and social justice, and the role creative practice can play in addressing this societal challenge. Through partnership working we will continue to embed these core literacies and practices within our curriculum and services.

- **The Equitable Art School:** Ensuring appropriate time and space for students and staff to meet, discuss and identify the cultural, curricular and policy changes that need to happen at GSA to further embed and mainstream our ambitions for inclusive education is a key priority for our community. We will continue to support local working groups of students and staff in each of our Schools as a space for open and honest discussions about equality, diversity and inclusion informed by our communities lived experience.
- **Post-Pandemic Studio Practice:** Ensuring that our students have the necessary digital skills and digital experience for their current and future learning is a key priority. Through our collective work delivering our Education Strategy we will continue to consider what digital identity and dexterity means for a contemporary art school with the evolution of technology and the digital landscape.

These themes have continued from our first year of operating this SPA and have been identified in consultation with staff and students from across the School, and approved by the Student Partnership Group. The Group will monitor progress and evaluate project outcomes.

Cognisant of the part that GSA's physical environment can play in the student experience we have developed an extensive programme of work to create an environment consistent with the needs of our workforce and expectations of our students.

Since its inception in 2019 the GSA Creative Network initiative has worked in partnership with departments across GSA to develop our global and domestic **alumni** networks. By helping to facilitate increased engagement between the GSA's academic schools and targeted alumni cohorts the initiative is providing structured and supported alumni involvement in strategically aligned programmes - particularly those associated with student experience and employability. Through increased visibility, engagement and promotion of graduate activity, we are showcasing the important contribution that both creativity and creative people play in wider society. The initiative connects GSA's ever growing creative community both locally and globally, providing a valuable resource to our students, graduates, industry partners and wider networks.

Glasgow School of Art recognises the part it has to play in delivering the **Scottish Government** objectives for education, research and innovation. GSA also contributes to the national outcomes in the Scottish Government's National Performance framework which describe the kind of Scotland it aims to create. While GSA aims to make a very broad contribution to a range of those outcomes, it is likely that our engagement in that framework is greatest in relation to the outcomes for Education, Culture and International.

On many of our courses, we devise 'live' **industry** briefs for our students. We work with a variety of clients on these projects where there is an academic benefit and learning opportunity for the students. Student projects are directed by a relevant academic, and clients are involved in the briefing and review sessions, giving the students the chance to get direct feedback. As well as providing a range of inspirational and unexpected approaches to a live challenge, projects often lead to the implementation or further development of ideas in collaboration with the client.

GSA maintains good relationships with its **suppliers**. GSA's endorses the CBI Prompt Payment Code and its policy is that payments to suppliers are made in accordance with those terms and conditions agreed between the School and its suppliers, provided that all trading terms and conditions have been complied with.

The impact of the company's operations on the community and the environment

The Glasgow School of Art seeks to be part of Glasgow's social, cultural and economic life, contributes to the life and vibrancy of the city and its reputation as a creative and cultural capital. We maintain regular formal and informal contact with Glasgow City Council and Glasgow Life, and a range of local and national agencies involved in promotion of local economic growth and cultural and creative activities across the city. Equally, we are actively engaged with local authority partners in the Highlands relating to our campus in Forres.

We deliver a year-long formal programme of exhibitions and events across our own galleries and exhibitions spaces and in partnership with a range of city-wide venues. Our Archives and Collections, based at the Whisky Bond and in Window on Heritage in the Reid Building, continues to have Museums and Galleries Scotland Accreditation. The heritage of our institution brings with it local, national and international engagement both in the work of Charles Rennie Mackintosh and his peers but also our extensive non-Mackintosh collections and archives which articulate art, design and architecture education since 1845 and which comprise importance and significant collections in their own right.

Our community and civic engagement is also rooted in the relationship with our closest neighbours and the city we are inextricably part of. Since 2019, the Glasgow School of Art's dedicated Community Engagement Officer has worked with a wide range of local stakeholders and community groups in the surrounding neighbourhood of Garnethill through partnerships and creative projects. The Community Engagement Programme aims to support the development of stronger relationships, collaboration and active communication between GSA staff, students and graduates, and the local community in Garnethill and the immediate neighbourhoods. Over the past year we have continued to partner with Garnetbank Primary through our creative residency, Garnethill Multicultural Centre, our local Community Council and our wider community through 'Winter Warmers' providing a warm and social space, including a creative activity and hospitality to support our communities through the cost-of-living crisis. While our presence on our Altyre campus in Forres is more recent, here, too, we have sought to establish roots in the local community.

The desirability of the company maintaining a reputation for high standards of business conduct

After student tuition fees, the Scottish Funding Council is the largest source of income for the Glasgow School of Art. That funding is dependent upon an Outcome Agreement, which is produced annually and agreed individually with each institution. It is framed to ensure delivery of targeted outcomes in specific areas, including, notably:

- **Outcomes for Students:** covering our commitment to fair access and transitions; high quality, learning, teaching and support; partnership, participation, and student experience; learning with impact and equalities and inclusion.
- **Outcomes for Research:** Research Excellence; Research sustainability (incorporating collaboration**).**
- **Outcomes for Economic Recovery and Social Renewal:** Responsive institutions; Confident and highly capable, work-ready graduates; Knowledge Exchange and Innovation: Collaboration; Climate emergency.

We continued to meet the commitments articulated in our Outcome Agreement, ensuring alignment of our commitments to our wider strategic ambitions as a small, specialist higher education institution and articulated in our Strategic Plan 2022-2027. Specifically in respect of our Outcome Agreement with the Scottish Funding Council, we maintained our commitment to achieving our SIMD20 targets, extending our activities to meet wider institutional under representation specifically in relation to ethnicity. The GSA continued to be one of the highest performing HEI's in Scotland for widening access exceeding the Scottish Government's Commission on Widening Access 2030 target and we continued to develop and extend our relationships with our college partners through our Associate Student routes with Glasgow Clyde and Forth Valley Colleges supporting formal articulation routes to study at the GSA. Underpinning our commitment to access, we benchmarked our fair admissions against the UUK Fair Admissions Code of Practice and aligned our approach to the cross institutional priorities agreed through Universities Scotland Admissions Policy Group.

Demonstrating our commitment to high quality learning, teaching and support, the GSA's new Education Strategy was approved. We progressed our Common Academic Framework (CAF) and developed a separate Equality Impact Assessment for academic delivery and to complement the Inclusive Curriculum Review Toolkit which was created to support to implementation of the CAF. We also approved our Student Mental Health agreement co-created with Glasgow School of Art Students' Association.

In the Research Excellence Framework 2021, 82% of the GSA's research assessed to be world-leading and internationally excellent, a major improvement from the last REF (2014) furthering the GSA's position as one of the UK's leading higher education institutions in art and design. In 2022 – 2023 we developed and approved the GSA's new Research Strategy aligned to our new strategic plan while being cognisant of the requirements of the SFC in respect of our Research Excellence Grant.

Financial review

Financial objectives

The financial sustainability of Glasgow School of Art is as important as its academic sustainability and seeks to move towards an annual core operating surplus, a financial objective likely to be achieved through our student number targets across all academic schools, the growth and diversification of research income, efficiencies through harmonisation of the academic programme and academic school structures, more efficient use of GSA's estate, improved environmental sustainability, procurement, and the highest levels of Governance.

Financial strategy

GSA's forward financial plans have been developed to be reflective of the ambitions set out in our new strategic plan:

- Through developing new ways to study at the GSA, including distance and low residency programmes and courses, new routes and modes of delivery, we will achieve growth in student numbers, and so tuition fee income.
- Through high-quality, impactful research and knowledge exchange focused around our areas of research excellence, partnership and inter-disciplinary research, we will maintain our position as one of the UK's largest post-graduate research communities in art and design, and will grow our research intensity and income.
- Through inclusive design, quality place-making and climate emergency mitigation we will invest in our estate by completing the reinstatement of the Reid Building façade; we will implement the improvements to carbon efficiency and student and staff experience at the Stow building; and we will progress the rebuilding of the Mackintosh Building; all as an integrated part of our Estates masterplan and academic ambitions.
- Through becoming digitally enabled, integrating our business processes, systems and platforms in a strategic way which adds value and improves the experience of studying and working, we will radically improve our efficiency.
- Through financial sustainability being founded on:
  - setting targets for surplus generation that will underpin the generation of cashflow to support future investment in people, estates and infrastructure;
  - setting a 'floor' for liquidity; and
  - setting a ceiling for gearing, that, primarily, provides headroom for further borrowing in the event that it is required to support the reconstruction of our estate, but avoids placing an undue burden on our routine finances to support the servicing of interest and capital payments.

Financial performance

This year, the Group reported a surplus of £2.2m (2022: surplus £1.0m) and total comprehensive income of £13.9m (2022: £30.9m). These results include items of an exceptional and non-recurring nature, including expenditure in relation to the 2018 Mackintosh fire; and the financial impacts of the pension valuation, without which the underlying surplus and the total comprehensive income would have been a deficit of £1.0m (2022: deficit £1.1m). The following table shows the underlying performance for the year by adjusting for the impacts of those exceptional and non-recurring items:

	Surplus for year £000	Total comprehensive income £000
As reported in the financial statements	**2,242**	**13,892**
Pension related		
FRS 102 pension cost adjustment – to staff costs	444	444
FRS 102 pension cost adjustment – to finance costs	(216)	(216)
Actuarial gain in respect of pension schemes	-	(11,303)
Insurance related		
Insurance income	(3,494)	(3,494)
Other comprehensive income		
Change in value of Heritage assets		(387)
Reserves exchange rate adjustment	-	(40)
Underlying deficit	**(1,024)**	**(1,064)**

Income

In 2022/23, the Group saw total income grow by £2.8m to £47.1m (2022: £44.3m). Excluding the £3.5m exceptional insurance income recognised this year and the corresponding £5m recognised in the previous year, underlying income grew £4.3m (11%) to £43.6m (2022: £39.2m), driven primarily by strong international student recruitment; and the continued return of students into residences and steady growth in consultancy and commercial income, both reflecting recovery from earlier pandemic effects.

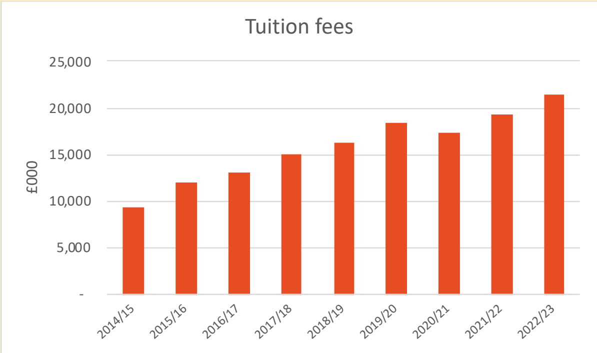
Continuing last year's trend of steady growth, and following an earlier pandemic-driven downturn, this year, tuition fees grew by £2.2m (11%) to £21.4m (2022: £19.2m).

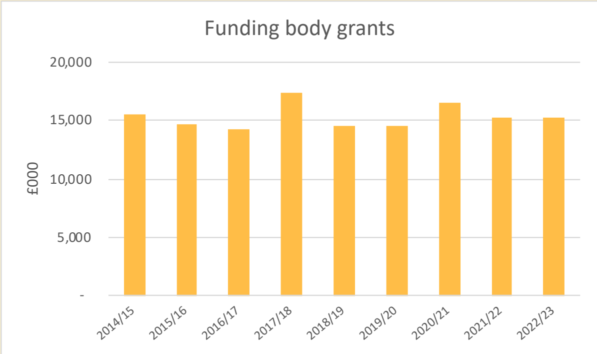
Reversing the trend of the previous year, 2022/23 saw a £0.3m (12%) fall in the fees from home students, reflecting a reduction in home postgraduate student enrolment. Against that trend, and reversing last year's downward trend, there was £0.1m (3%) growth in fee income from students attending from England, Wales and Northern Ireland. For the same period, there was a net increase in international fee income of £2m (16%), reflecting a buoyant demand for places from international students. There was also a welcome growth in fees from joint courses with the University of Glasgow and from non-credit bearing courses, together contributing £0.3m (37%) growth on the prior year.

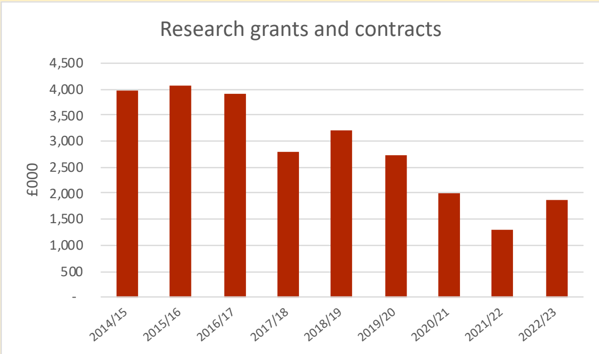
At £15.2m, Funding Council Grants, were largely flat, year-on-year.

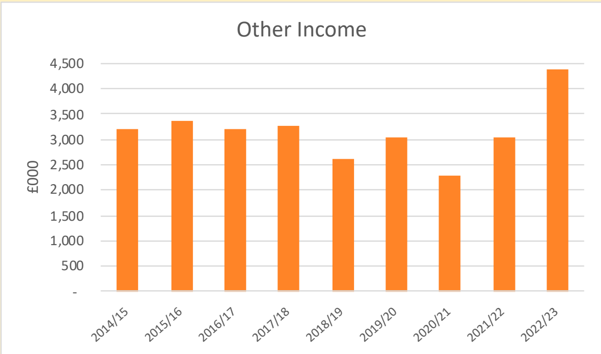
This year saw a reversal of the recent downward trend in income from research grants, with growth of £0.6m (43%), to £1.9m (2022: £1.3m). GSA's research grant income typically comprises a core portfolio of 'standard' research projects along with a very small number of disproportionally large innovation projects. whose award can be irregular, meaning that, their initiation and completion can lead as has be seen in recent years, to volatility in the annually reported research income.

Building on last year's reversal of the effect of an income stream heavily impacted by the earlier effects of the pandemic, this year's continued recovery in other income was evidenced by growth of £1.3m (42%) to £4.3m (2022: £3.1m), Residence Income grew by £0.5m (26%) on last year; and commercial and other income, too, saw recovery, up by £0.8m (67%) to £2.1m (2022: £1.3m). As noted above, insurance income of £3.5m was recognised, which when added to last year's accrual of £5m, reflects the final insurance settlement in respect of the consequential damage to the Reid, Bourdon and Assembly buildings.





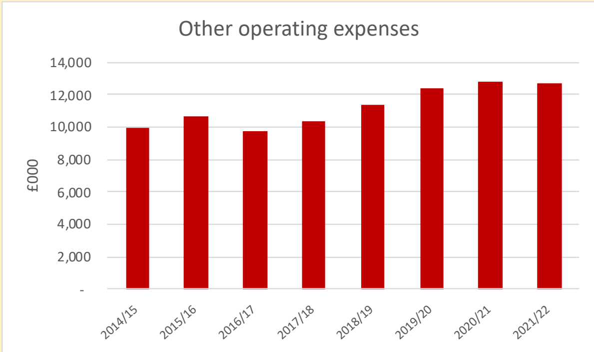




Expenditure

In 2022/23, the Group saw total expenditure grow by £1.0m (2%) to £44.7m. Excluding the exceptional movements associated with pension service costs, there was an underlying increase of £3.8m (9%).

At £27.8m (2022: £27.8m), total staff costs were flat compared to last year, albeit that a fall in the actuarially assessed pension service charge, was masking underlying staff cost growth of £3.8m (9%). That growth combined the effects of the 2022/23 national 3% pay increase, routine salary scale progression, the final step in the escalation of the Strathclyde Pension Fund employer's pension contributions and, in response to cost-of-living pressures, the early implementation of a portion of the 2023/24 national pay increase, at 2% of salary or £1,000, whichever was the greater.



Other operating expenses grew by £1.9m (15%) to £14.6m (2022: £12.8m), reflecting the prevailing economic environment's generally upward pressure on most operating cost categories.

The reduction in Interest and other finance costs was £0.6m. At £23k (2022: £99k), interest on borrowing was down £76k (77%) reflecting last year's repayment of the Barclays secured loan. A £216k net return on the pension scheme compared to last year's net charge of £342k, saw a non-cash movement of £558k.

Depreciation for the year of £2.6m (2022: £2.8m) fell by a modest £0.2m, albeit that fixed assets grew as assets under construction were added, but not yet depreciated.

Other comprehensive income and expenditure for the year included the third successive actuarial gain, of £11.3m (2022: £29.7m), arising from GSA's participation in the Strathclyde pension Fund; a £387k (2022: £29k) increase in the value of our heritage assets; and a £(40)k (2022: £127k) reserves exchange rate adjustment.

Financial position

At the end of the year, the Group had net assets of £79.3m (2022: £65.4m), representing growth of £13.9m on the previous year.

The £10.2m increase in fixed assets to £88.8m (2022: £78.6m) reflects £12.8m of capital expenditure during the current year, offset by depreciation of £2.6m. The net £0.1m fall in investment assets to £5.5m (2022: £5.6m) reflects the performance of financial markets over the period.

The actuarial review of GSA's participation in the Strathclyde Pension Fund at 31 July 2023, for accounting purposes, signalled an £11.0m growth in the net pension asset from £6.4m to £17.4m. The change can be attributed to:

- £2.4m growth in the Scheme's assets, to £61.5m;
- £8.7m reduction in the scheme's labilities, to £44.0m, almost wholly attributable to a 1.55% increase in the rate at which the scheme's liabilities were discounted, reflecting the rise in the corporate bonds yield, upon which the discount rate is required to be founded.

Debtors due greater than one year remained at £5m, reflecting the £5m pledge made to the GSA Development Trust by the UK Government in the aftermath of the Mackintosh fire, which is currently held by the Scottish Government.

Over the period, net current assets fell by £9.5m to £15.7m (2022: £25.2m):

- Trade and other receivables fell by £4.4m to £2.5m (2022: £6.9m), largely reflecting the receipt of a final settlement extinguishing of the debtor associated with last year's accrual of £5m in respect of an interim insurance settlement offer in regard to the consequential damage to the Reid, Bourdon and Assembly buildings.
- Cash reduced by £3.6m to £18.6m (2022: £22.2m), largely reflective of this year's capital expenditure, partly offset by the receipt of the insurance settlement noted above.
- Creditors due within one year grew by £1.6m to £10.8m (2022: £9.2m) reflecting a range of modest movements within that heading.
- Creditors falling due in more than one year comprise loans and deferred capital grants.

- The outstanding balance on loans due in more than one year reduced by £0.6m to £8.7m (2022: £9.3m), reflecting regular repayments on loans being made as they fell due. There are total loans, including loans due in one year, of £9.3m at 31 July 2023 compared with £10.0m at 31 July 2022.
- At the year-end, deferred capital grants greater than one year stand at £52.8m (2022: £54.0m), those being mainly associated with historic capital grants from the Scottish Funding Council, including that for the construction of the Reid Building. The balance has reduced by £1.2m reflecting the release of deferred grant to match the depreciation on fixed assets, so funded.

Movement on reserves

During the year, the Group's reserves grew by £13.9m to £79.3m (2022: £65.4m). Disaggregating that movement:

- Endowment reserves fell by £0.2m to £5.5m during the year (2022: £5.7m), the movement being largely attributable to the performance of financial markets over the period.
- Restricted reserves, at £8.4m, were unchanged during the year.
- The income and expenditure reserve grew by £13.6m to £49.8m (2022: £36.2m) during the year, that rise mainly reflecting the Group's £11.3m actuarial gain arising from the Strathclyde Pension Fund valuation; and the £2.2m surplus for the year (net of £0.1m endowment comprehensive expenditure).
- The revaluation reserve grew by £0.4m, to £15.5m (2022: £15.1m), reflecting additions to our Heritage Assets.

Treasury management, cashflow and liquidity

The financing, liquidity and exposure to financial risk is overseen by the Board though the Audit & Risk Committee and the Business & Estates Committee. Each year, forecasts are prepared which consider the cash position, given the assumed operational movements and planned investment in fixed assets and working capital. This enables the Business & Estates Committee to consider any future borrowing requirements in a timely manner.

Non-endowment cash balances are held in interest-bearing deposits with financial institutions. These balances can be invested in major clearing banks. At 31 July 2022, our cash and deposit balances sat at £18.6m, a decrease of £3.6m on the previous year-end (2021: £22.2m), largely reflective of this year's capital expenditure offset by the receipt of the final settlement amount in respect of the consequential damage to the Reid, Bourdon and Assembly buildings. Our deposits are currently held as short-term deposits, so show on the Balance Sheet as entirely within cash and cash equivalents.

The return on Endowment Asset Investments comprising dividend and bank interest was 1.46% compared with 0.99% last year. The market value of the total Endowment assets held fell from £5.7m to £5.5m., primarily reflecting the performance of financial markets over the period. The Business and Estates Committee, oversees execution of investment strategies and monitors performance.

Financial risk management

Foreign Currency Risk – Glasgow School of Art does not enter into any significant foreign currency transactions. The Governors therefore consider that there is no material exposure to foreign currency movement risk. Funds for the GS of A Singapore operation are maintained via bank accounts in Singapore. The only exposure would be dividend payments from Singapore to GSA and the intergroup balance. Exchange rate movements are monitored and the date of transfer of any dividend payment is selected on this basis.

Credit Risk - Glasgow School of Art is exposed to credit related losses in the event of non-performance by transaction counterparties but mitigates such risk by reviewing supplier's financial accounts and credit scores as part of our tender processes.

Liquidity Risk - Operations are financed by SFC grants, student fees, research and consultancy contracts and bank balances. In addition, the School has an overdraft facility which it has not utilised. The objective is to ensure a mix of funding methods offering flexibility and cost effectiveness to match our needs.

Cash Flow Risk - GSA currently holds £18.6m of cash, there are no restrictions on the use of those funds. With interest rates rising during the period but with an expectation of earlier expenditure, the cash was held primarily in medium-term bank deposits, being drawn as required to maintain adequate levels of working capital.

Creditor payment policy

Glasgow School of Art's policy is that payments to suppliers are made in accordance with those terms and conditions agreed between the School and its suppliers, provided that all trading terms and conditions have been complied with. The School endorses the CBI Prompt Payment Code. At 31 July 2023 the School had an average of 13 days purchases outstanding in trade creditors (2022: 5days). With regard to the late payment of Commercial Debts (Interest) Act 1998 there are no matters to disclose.

Ann Priest, Chair of the Board of Governors
21 December 2023

DIRECTORS' REPORT

Board membership

The following persons served as Board members during the year to 31 July 2023, and up to the date of approval of these financial statements.

Appointed by the Board of Governors

Ms Kristen Bennie BA	Independent Governor
Professor Graham Caie CBE, PhD, FRSE, FEA, FRSA	Independent Governor
Professor John French BSc, PhD, MIOD	Independent Governor (until 9 November 2022)
Dr Martin Herbert DipQS, MSc, PhD, MRICS	Independent Governor
Professor Stephen Hodder MBE, PPRIBA	Independent Governor (from 1 December 2023)
Dr Kate Lampitt Adey	Independent Governor
Dr Simon Learoyd BA (Hons), PG Cert, MSc, PhD	Independent Governor
Mr Michael McAuley LLB (Hons)	Independent Governor (until 30 September 2022)
Mr Habib Motani	Independent Governor
Ms Ann Priest MBA FRSA Ctext FTI	Independent Governor
Mr Harry Rich LLB (Hons), FRSA	Independent Governor
Mr James Sanderson BA(Hons), Dip Arch, RIBA, RIAS	Independent Governor
Professor Adrienne Scullion MA, PhD, FRSA, FRSE	Independent Governor (from 1 December 2023)
Dr Graham Sharp BSc, LLB, MSc, DPhil, CA	Independent Governor
Professor Andrea Siodmok OBE, Hon DCL, BA (Hons), EMPP, PhD, FRSA	Independent Governor (from 1 December 2023)
Mr Andrew Sutherland BAcc, CA, MCICM	Independent Governor
Professor Anne Trefethen FREng	Independent Governor
Mr Tsz Wu BA (Hons), Mdes	Independent Governor

Governors Ex Officiis

Professor Penny Macbeth BA(Hons), MA, FHEA	Director of the School

Elected Staff Governors

Ms Marianne McInnes MEng	Elected by the Professional Support Staff (until 26 January 2023)
Mr David Nutter BA (Hons)	Elected by the Academic Staff
Ms Jacqueline Coyle Dow	Elected by the Professional Support Staff (from 1 September 2023)

Student Governors

Mr Rory O'Neill	President of the Students' Association (until 27 March 2023)
Ms Josephine Kay-Ogunsola	Vice-President of the Students' Association (until 31 July 2023)
Mx Ted Tinkler	President of the Students' Association (from 1 August 2023)
Ms Alicia Bickerstaff	Vice-President of the Students' Association (from 1 August2023)

Trade Union Governors

Mr Thomas Greenough BA (Hons)	Trade Union Governor (Academic Staff)
Ms Kathy Molloy	Trade Union Governor (Professional Support Staff) (until 30 November 2023)
Mr Craig Laurie	Trade Union Governor (Professional Support Staff) (from 1 December 2023)

Secretary to the Board of Governors

Mr Stephen Marshall	Interim Registrar and Secretary (from 29 September 2022 to 31 July 2023)
Ms Emma Williams	Secretary and Registrar (from 4 September 2023)

Environmental sustainability

As evidenced by this year's launch of GSA's Environmental and Social Justice Framework, developed in partnership with students and staff, the GSA community is fully committed to sustainable values. Our strategy and actions are based on an aim of reducing the environmental, social and ethical impacts of Glasgow School of Art, with specific objectives of more efficient management of our estate and full awareness of sustainability values and issues across the curriculum. The GSA community is encouraged to reduce energy, water and resource use, and support Scotland's future artists, designers and architects to help them react to, work with and communicate climate change in a positive and creative way.

During the refurbishment of the Stow Building, GSA employed Salix loan funding to make significant environmental improvements to the fabric and running costs of a building little-altered from the 1930s. Ongoing plans for improvements to that building will seek to maintain a trend of enhanced environmental performance specifically through a material reduction in the Building's heat demand, and more generally through more efficient mechanical, electrical, public health and ICT installations; and will serve as a blueprint for future estates development.

Consistent with our Estates Strategy, during 2023/24, we will continue to develop our approach to realising a Net Zero strategy, including early plans to decarbonise the Haldane Building's fossil fuel heating system by replacing it with a sustainable alternative.

UK Energy use and greenhouse gas emissions

As required by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, the School must disclose its UK annual energy use and associated greenhouse gas emission.

Property based consumption and emissions	*UK use*			*Associated greenhouse gas emissions*		
	units	**2022/23**	2021/22	*units*	**2022/23**	2021/22
Electricity	kWh	**2,849,626**	2,804,955	tCO_2e	**641**	648
Gas	kWh	**6,150,864**	6,983,116	tCO_2e	**1,125**	1,279
Bioenergy	tonnes	**54**	-	tCO_2e	**2**	-
Waste	tonnes	**157**	89	tCO_2e	**5**	3
Water	m^3	**12,373**	12,726	tCO_2e	**4**	4
Total associated greenhouse gas emissions				tCO_2e	**1,778**	1,935

Gross internal area (m2)	m^2	**66,944**	66,944
Intensity ratio	**tCO_2e/m^2**	**0.027**	0.029

Energy efficiency action taken:

- Established a new student and staff "Green Team", focused on behaviour change and energy efficiency actions.
- Removed diesel vans from our transport fleet, replaced by an EV alternative.
- Undertook an in-house energy audit which identified multiple areas of improved energy usage from better control on timing and building temperature demand.
- Continued to ensure that when undertaking estate refurbishment and redevelopment, project briefs include provision for improved carbon efficiency.
- Continued rolling programme of refurbishment of buildings to improve their energy efficiency including on the Stow and Reid Buildings.
- Continued efforts to embed environmental issues in the procurement supplier selection and contract award criteria.
- Worked with our catering supplier to reduce all waste, seeking to achieve a more circular use of catering supplies.
- In support of our Strategic Plan Lead Indicator, measured, for the first time, Scope 3 emissions to include student travel and procurement, aiming to achieve a more comprehensive assessment of the carbon footprint of our Scope 1, 2 and 3 emissions.
- Continued to embed sustainability values and issues across the curriculum.

This reporting applies the methodologies required by the Annual Public Bodies Climate Change Duties (PBCC) reporting and the Annual Higher Education Statistics Agency (HESA) reporting.

Equality and diversity

Through formal reporting from senior management, the Board of Governors assures itself that GSA is compliant with the Equality Act 2010 and meets the requirements of the Public Sector Equality Duty and the Scottish Specific Duties, including Mainstreaming and Equality Outcomes. The Director of GSA is responsible for providing leadership and ensuring that compliance with the Equality Act 2010 and delivery of the Public Sector Equality Duty and the Scottish Specific Duties is integral to GSA's strategic aims and are delivered across all activities and functions. The Deputy Director Academic is responsible for briefing the Director and for formal reporting, including to the Board of Governors. Members of the GSA Senior Leadership Group reporting to the Director are responsible for ensuring that institution-level policy is implemented and delivered effectively within the areas for which they have leadership and management responsibility.

GSA has set the following Equality Outcomes:

- Actively foster and support an organisational culture in which dignity and respect for self and others is understood and practiced, where confidence is encouraged and promoted, and where ignorance, prejudice and bias are challenged.
- Continue to evaluate our physical and digital environment, aiming to optimise accessibility and inclusivity by acknowledging and providing for the needs of our students, staff and stakeholders.
- Actively build and support a staff population which is more reflective of the Scottish population and encourage a diverse student body.
- Improve lifelong outcomes for students by identifying and supporting those groups facing persistent inequality throughout and beyond their student learning journey into positive destinations.
- Develop a comprehensive and robust equality and diversity data set which enables us to inform action, assess progress and measure impact.

The GSA Equality Update Report April 2023 (https://www.gsa.ac.uk/about-gsa/key-information/equality/equality-outcomes/) provides an update on each of these established GSA 2021-2025 Equality Outcomes.

After signing a Memorandum of Understanding in 2020 to strengthen and reinforce compliance with the Public Sector Equality Duty in colleges and universities, in January 2023 the Scottish Funding Council (SFC) and the Equality and Human Rights Commission (EHRC) published a set of National Equality Outcomes (NEOs) to tackle persistent inequalities within the tertiary system. The NEOs were developed as a result of an extensive consultation with equality and diversity practitioners from the public and third sector, as well as input from people with lived experience, and align with the findings from a range of statistical publications previously produced by the SFC. GSA has, in turn, committed to adopting all of the NEOs and to amalgamate their delivery into our own action planning and reporting. Those National Equality Outcomes are:

- **Age**
  - The retention outcomes for university students aged 25 and over will improve.
- **Disability**
  - The success and retention rates of college and university students who declare a mental health condition will improve.
  - Disabled students report feeling satisfied with the overall support and reasonable adjustments received, including from teaching staff, while on their course.
  - Disabled staff and students report feeling safe in the tertiary system.
  - Where representation is not proportionate to the relevant population, increase the representation of disabled staff in the workforce and on college Boards and university Courts.
- **Gender Reassignment**
  - Trans staff and students report feeling safe to be themselves in the tertiary system.
- **Race**
  - Staff and students feel supported and safe and are confident that complaints of harassment or bias on the grounds of race will be dealt with appropriately because complaints procedures are fit for purpose and offer effective redress
  - Institutions should also have regard to attainment levels by racial group and ensure that their curriculum is diverse and anti-racist.
  - Where representation is not proportionate to the relevant population, increase the racial diversity of Court members and address any racial diversity issues in college Boards.
  - Where representation is not proportionate to the relevant population, increase the racial diversity of teaching and non-teaching college staff to align with student representation in the sector.
  - Students and staff report that they have confidence in institutional report and support mechanisms because they are fit for purpose.
- **Sex**
  - Staff and students know how to access support about violence, harassment and abuse, report their experience and feel properly supported in doing so because the services are fit for purpose.
  - Institutions can evidence approaches that prevent and respond to violence, harassment and abuse.
  - Men (staff and students) know how to access mental health support (recognising intersectionality within that group).
  - Institutions will have regard to significant imbalances on courses and take action to address it.

- **Sexual Orientation**
  - Lesbian, Gay and Bisexual staff and students report that they feel safe being 'out' at university and college.

Although reporting on our established equality outcomes was underway by the time we took the decision to adopt the NEOs, a section of our GSA Equality Update Report April 2023 (https://www.gsa.ac.uk/about-gsa/key-information/equality/equality-outcomes/) was given over to reporting progress against all applicable NEOs, broken down by protected characteristic.

Employment of disabled persons

GSA is committed to attracting, recruiting and retaining people with disabilities, specifically:

- We ensure that people with disabilities receive full and proper consideration throughout the whole recruitment process; and
- We provide practical equipment or modification to enable disabled people to undertake full employment.

In the event of existing employees becoming disabled, every effort is made to ensure that their employment continues and that appropriate support is made available in partnership with the employee and their manager. It is our policy that the recruitment, training, career development and promotion of people with disabilities should, as far as possible, equal that of other employees.

Responsibilities of the Board of Governors for accounting and the financial statements

In accordance with Glasgow School of Art's formal governance arrangements, the Board is responsible for the administration and management of the affairs of GSA and is required to present audited accounts for each financial year.

The Board considers that the Group and the School has adequate resources to continue its operations for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of GSA and to enable it to ensure that the financial statements are prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice). In addition, within the terms and conditions of the Financial Memorandum agreed between the Scottish Funding Council and the Board of Governors, the Board, 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 Group and the School and of the surplus or deficit and cash flows for that year.

In preparing the financial statements, the Board has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- accounts are prepared on the going concern basis unless it is inappropriate to presume that GSA or the Group will continue in operation.

The Board has taken all 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 Funding Council and any other conditions which the Scottish Funding Council may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of GSA and prevent and detect fraud; and
- secure the economical, efficient and effective management of GSA's resources and expenditure.

To the knowledge and belief of each of the persons who are directors at the time the report is approved:

- So far as the directors are aware, there is no relevant material audit information of which the Group's and the School's auditor is unaware; and
- They have taken all the steps that ought reasonably to have been taken as a member of the Board, in order to make himself/ herself aware of any relevant information, and to establish that the Group's and the School's auditor is aware of the information.

Auditor

The Board approved the appointment of Anderson Anderson Brown Audit LLP as Auditor on 12 December 2023.

Anderson Anderson Brown Audit LLP will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

Post balance sheet events

There have been no significant events affecting the Group or School since the year end.

By order of the Board

Ann Priest, Chair of the Board of Governors
21 December 2023

Professor Penny Macbeth, Director
21 December 2023

CORPORATE GOVERNANCE STATEMENT

Introduction

The School's governance arrangements are defined through an Order of Council derived from the Further and Higher Education (Scotland) Act 1992. The School is also a Company Limited by Guarantee. The School's Statement of Corporate Governance (reviewed and approved by the Board of Governors annually) complies with the high-level principles contained within the Scottish Code of Good HE Governance published in 2017 (the Code) and with the detailed provisions contained therein.

During the current year, a revised 2023 Scottish Code of Good HE Governance was published. In line with the expectations of the Scottish Funding Council, GSA has continued to comply with the 2017 version of the Code for the current year, and will adopt the revised 2023 Code during session 2023/24.

The undernoted sets out the manner in which the School has applied the principles set out in the Code and follows the format set out by the Scottish Funding Council's Accounts Direction for Scotland's Universities 2022/23 (issued 20 July 2023), and the SFC Financial Memorandum. Its purpose is to enable the reader of the financial statements to understand how these principles have been applied.

Governing Body

The Board of Governors (the Board) is the governing body of the School and holds to itself the responsibilities for its ongoing strategic direction, full consideration and approval of major developments, and receipt of regular reports from Executive Officers on the day-to-day operations of its business.

The Board normally meets four times per session (October, December, March and June in session 2022/23) and holds an annual away-day (February) which focuses on strategic matters and the future direction of the School. At each of the standard Board meetings in the year reported, the Board received an executive update from the Director, which set out matters relating to the work and progress of the School. The Board also received reports from the President of the Students' Association, the Interim Secretary to the Board of Governors, the Director of Finance, and the Director of Estates. As a matter of course, the Board also received the minutes from Academic Council and from each of the Board Committees that had met in the preceding period.

The Academic Council is the principal academic body of the School. The remit of the Academic Council is specified in the School's Articles of Association and represents delegated functions from the Board, namely:

- the function of advising the Director in relation to the overall planning, co-ordination, development and supervision of the academic work of the institution; and
- such other functions of the Board of Governors as may be assigned to the Academic Council by the Board.

The roles of Chair and Vice-Chair(s) of the Board are separated from the role of the School's chief executive, the Director. Pursuant to the Articles of Association, the Director discharges the functions of the Board of Governors relating to the organisation and management of the School and the discipline therein, and, with the advice of the Academic Council, the overall planning, coordination, development and supervision of the academic work of the School. The Chair's responsibilities include leading the Board, promoting its effective operation, and ensuring that its members work together effectively and have confidence in the procedures laid down for the conduct of business. Ultimately, the Chair is responsible for the conduct and effectiveness of the business of the Board of Governors. Further details regarding the role of the Chair are set out in the Statement of Corporate Governance which is published on the School's website.

The Board Intermediary is a point of contact for members of the Board in the event that they wish to raise an issue regarding the conduct of the Board or the Chair. The Board Intermediary is also responsible for leading the Board in conducting the annual appraisal of the Chair. This role is currently held by one of the Independent Governors.

The Interim Secretary to the Board maintained regular contact with the Chair to ensure that the conduct of the Board's business was carried out in accordance with the Statement of Corporate Governance, the Scottish Code of Good HE Governance, and the School's legal instruments. Agendas and papers (which include the Board minutes from the previous meeting) are made accessible via the School's website, normally following approval of the minutes at the subsequent meeting of the Board of Governors.

Governance Arrangements

In order to ensure that governance-level decision-making continued to operate through the established formal committee and Board structure during the COVID-19 pandemic (from March 2020 onwards), the Registrar and Secretary, in close consultation with the Chair of the Board, worked to ensure that GSA's governance arrangements remained robust and appropriate during this critical period, with the committee cycle delivered, as scheduled, via video conference with additional Board and Committee meetings scheduled where appropriate.

With regard to Board committees, these meetings have continued to be held via video-conferencing in session 2022/23, unless otherwise preferred by the convenor of the relevant committee. During this year, Board meetings were held in person (with the option for members to join via video-conference). These arrangements for the Board and its committees have become the established mode of operation.

Statement of Primary Responsibilities and Schedule of Delegation

In accordance with the Code, the Board has a Statement of Primary Responsibilities and a Schedule of Delegation, which state those matters which are reserved for the consideration of the Board, and those which have been formally delegated. These are set out in full in the 2023/24 Statement of Corporate Governance.

The current Statement of Primary Responsibilities provides detail regarding the following responsibilities of the Board:

1. To ensure the effective management of the School and to play a key role in the development, approval and review of the mission and strategic vision of the School;
2. To be the principal financial and business authority of the School;
3. To safeguard the reputation and values of the School;
4. To ensure the quality of institutional educational provision is upheld and to ensure the defence of academic freedom;
5. To make such provision as appropriate for the general welfare of students, in consultation with the Academic Council;
6. To ensure that systems and policies are in place for meeting all of the School's legal and regulatory obligations;
7. To oversee and monitor the development and implementation of the School's Strategic Plan;
8. To appoint a Chair of the Board of Governors, one or more Vice Chairs, and Independent Governors;
9. To appoint the Director of the School and the Secretary to the Board;
10. To advise on the appointment of the Deputy Directors of the School, and the Director of Finance;
11. To ensure the establishment and monitoring of systems of control and accountability, including financial and operating controls and the risk management framework;
12. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the School;
13. To establish processes to monitor and evaluate the performance and effectiveness of the Board of Governors;
14. To conduct its business in accordance with best practice in higher education corporate governance and with accepted standards of ethics and behaviour in public life;
15. To determine and review the remuneration of those senior staff members whose salaries are not included within national pay scales;
16. To form, and receive regular reports from, committees to consider major areas of activity;
17. To support and enable the effective functioning of the Students' Association;
18. To satisfy itself that the School operates with high levels of social responsibility; and
19. To take all final decisions on matters of major concern to the School.

The Schedule of Delegation records the delegated authority for decisions taken in the name of, or on behalf of, the Board. As part of the Statement of Corporate Governance, the Schedule is reviewed and formally approved by the Board on an annual basis. The general principles of the Schedule of Delegation are set out below:

- All delegated powers must be exercised in accordance with relevant current procedures and policies of the School, including the financial regulations and supporting policies, and applicable statutory requirements;
- Having delegated authority to other bodies or individuals to act on its behalf, the Board of Governors is nevertheless still ultimately accountable and assumes collective responsibility for the actions taken under delegated authority;
- The Board of Governors has the power at any time, subject to any statutory restrictions to the contrary, to vary, extend, restrict or recall any power or function delegated by it;
- In potentially contentious matters, or for decisions of strategic importance to the School, or where the Board of Governors would be reasonably expected to have a significant interest, it may be appropriate to seek the approval of the Board of Governors, even where authority has been delegated;
- The use of delegated authority should be reported to the Board of Governors as appropriate; and
- A list of reserved matters which may not be delegated by the Board of Governors is detailed in the School's Statement of Corporate Governance.

The Board has ultimate responsibility for the effective operation of the School, and, following common practice, delegates much of the detailed review to Board committees. The extent of that delegation is detailed within the Board Committee Remits and Memberships document, which is reviewed and approved by the Board on an annual basis and published on the School's website. A brief overview of each committee remit is set out below.

The Board had the following committees in 2022/23: Audit and Risk, Business and Estates, Health and Safety, Human Resources, Museum and Archive, Nominations, and Remuneration. All of these committees are formally constituted with terms of reference and are convened by Independent Governors.

Composition of the Board

The Board comprises independent and academic persons appointed in accordance with the School's governing instruments, which were last revised in December 2020. The majority of governors are non-executive and independent, serving alongside ex-officio and elected staff, student and trade union governors.

Since 1 December 2020, and in line with its new Order of Council and Articles of Association, the School's Board of Governors comprises:

- Between ten and seventeen Independent Governors;
- The Chair, appointed by the Board of Governors;
- The Director of the School as a governor ex officio;
- Two Staff Governors appointed by being elected by the staff of the School from among their own number, one of whom is elected by the academic staff of the School, and the other by the professional support staff of the School;
- Two Trade Union Governors appointed in accordance with rules approved by the Board of Governors as follows:
  - one by being nominated by a trade union from among the academic staff of the School, who are members of a branch of a trade union that has a connection with the School; and
  - one by being nominated by a trade union from among the support staff of the School, who are members of a branch of a trade union that has a connection with the School.
- Two Student Governors appointed by being nominated by the Students' Association of the School from among the students of the School in accordance with rules approved by the Board of Governors.

During the reporting period:

- Two Independent Governors demitted the Board: Professor John French (9 November 2022) and Mr Michael McAuley (30 September 2022).
- Two Student Governors demitted office: Mr Rory O'Neill (27 March 2023), and Ms Josephine Kay-Ogunsola (31 July 2023).
- Ms Marianne McInnes demitted office as Staff Governor (Support) on 26 January 2023.

During the year, Mr Stephen Marshall acted as Interim Registrar and Secretary from 29 September 2022 to 31 July 2023. Mr Andrew Menzies, the Director of Finance, continued to act as Company Secretary until 6 September 2023. Ms Emma Williams was appointed as Secretary and Registrar on 4 September 2023, and was appointed Company Secretary on 7 September 2023.

Staff Governors and Trade Union Governors hold office for an initial term not exceeding three years and may be reappointed for up to two further periods of up to three years. Student Governors hold office for an initial term not exceeding one year and may be reappointed for one further period of up to one year.

Independent Governors are appointed for a term of office not exceeding three years, at the conclusion of which they may be reappointed for up to two further terms of three years, subject to review and approval by the Nominations Committee. The balance of skills and experience among Independent Governors is monitored closely to ensure that this is sufficient to enable the Board to meet its primary responsibilities and to ensure stakeholder confidence. A register showing the balance of skills, attributes and experience required across the Board's membership, including attributes and goals (having due regard to applicable law) relating to equality and diversity, is published on GSA's website.

When an Independent Governor demits office, or the School seeks to appoint a new Governor, the Nominations Committee, or a sub group thereof, reviews the balance of skills in the membership of the Board against the *Register of the Balance of Skills, Attributes and Experience*. This informs the appointment process and supports the School in maintaining a coherent and effectively functioning governing body. The Board also recognises its responsibility to demonstrate leadership in promoting and facilitating equality and diversity, and ensures that, where changes occur in the Board's composition, due and proper account is taken of aiming for a balance across all protected characteristics, recognised under the Equality Act 2010, as part of the Nominations Committee's appointment process.

A Board Recruitment Exercise is currently underway, as The School seeks to recruit additional Independent Governors. In preparation for this exercise, a full review of both the *Guidelines on the Criteria for the Appointment and Renewal of Independent Governors*, and the *Register of the Balance of Skills, Attributes and Experience*, was carried out to help determine the skills required for the Board and to ensure that the guidelines were up-to-date and in line with best practice. This exercise revealed that the mandatory skills sought by the School were well represented across the membership; nevertheless, the opportunity to enhance certain skills and rebalance the diversity of the Board, particularly in relation to gender, was considered a priority. In line with GSA's strategic ambitions, the Board seeks to attract candidates with skills and expertise in the following areas: Cultural and Creative Industries, HE Policy and Global Insights, Estates Infrastructure, and Placemaking and Diversity.

The School has a robust and transparent recruitment process in place wherein the Nominations Committee forms a Governor Appointment Sub-Group to oversee the recruitment of new Independent Governors. A search agency has been employed to support this process and the posts have been widely promoted through existing networks, GSA's own website, and via its social media channels. When considering applications, both at the shortlisting and interview stage, the Sub-Group will consider the *Register of the Balance of Skills, Attributes and Experience*, as well as GSA's current and emerging needs, gender balance commitment, and the opportunity to increase the diversity of the Board's membership.

As at 1 September 2023, the School's Board consists of a total membership of twenty members, thirteen of whom are Independent Governors (including the Chair of the Board): the latter has a male:female ratio of 69%:31%. In addition to those twenty Board members, two Independent Governors - Dr Kate Lampitt Adey and Mr Marty Herbert - were granted Leave of Absence from their position as members of the Board of Governors, with effect from 1 September 2023 to 31 August 2024.

Induction and Governor Development

All new Governors receive a full induction upon joining the Board, with continued support available throughout their time in office. The induction process and information provided is reviewed on an ongoing basis to ensure that it remains current and takes all relevant developments into account. Governors attend a governance briefing session with the Secretary and Registrar, which includes information on the responsibilities of the Board, an overview of developments in the HE sector, the School's Strategic Plan, and the overall governance and financial situation; they are also afforded the opportunity to meet with the Director and members of the Senior Leadership Group. In addition to induction, all Governors are invited to participate in an annual governance briefing to refresh their knowledge in this area, with this being mandatory for Staff and Trade Union Governors.

Throughout the academic session, Governors are invited to participate in briefings, presentations and tours to keep members up-to-date with developments within the School. These also serve to increase members' knowledge and sense of connection with staff and students. The School remains committed to Governor development, and Board members are kept informed of upcoming seminars and conferences relevant to Higher Education governance, for example those delivered by Advance HE through its Governor Development Programme. New Governors (including Student Governors) are strongly encouraged to participate in the annual Scotland-specific training session in October. The Corporate Governance Office ensures that all Governors are made aware of the programme of events, and reminded of these at relevant points throughout the session.

The Chair undertakes a review of members' individual contributions at least every two years, which represents a further occasion for members to identify and seek personal development opportunities. Following completion of the reviews, the Chair collates the reviews and identifies: any points to be followed up with individual Governors, including any training requirements; any points for wider consideration by either the Nominations Committee or the Board; and any points to be factored into the wider review of Board effectiveness.

Board Committees

All Board committees met via video conference in session 2022/23, with the exception of the Museum and Archive Committee meeting of 23 February 2023, which was held in person and also via Zoom.

The **Audit and Risk Committee** met four times in session 2022/23 with both the External Auditor and Internal Auditor in attendance. Following recent changes to the Committee's remit, the Committee continued to allocate more time to allow for greater consideration of the Institutional Risk Register. The Risk Register continues to be shared with the Board, however on the basis that the Audit and Risk Committee have scrutinised it in detail.

A further meeting of the Audit and Risk Committee was held in March 2023, following the conclusion of the tenure of the previous outsourced Internal Audit service provider, and the Committee made a recommendation in relation to a new provider for the Board of Governors.

The Audit and Risk Committee has overall responsibility for the effectiveness of, and compliance with, GSA's system of risk management, and oversees the effectiveness and compliance of GSA's Corporate Governance arrangements with onward reporting to the Board of Governors. It must satisfy itself that the financial affairs of the School are correctly represented; that the funds received from the Scottish Funding Council are used in accordance with the Financial Memorandum between the Council and the School; consider the internal and external auditors' assessment of the effectiveness of the School's financial and other control systems, including controls to prevent or detect fraud or other irregularities. It is also responsible for advising the Board on the selection, appointment or re-appointment and remuneration of both the Internal Auditor and External Auditor.

The Audit and Risk Committee is also responsible for meeting with the External Auditor and Internal Auditor of the School and reviewing their findings. The Committee considers detailed reports together with recommendations for the improvement of the School's systems of internal control and senior officers' response and implementation plans. It also receives relevant reports from the Scottish Funding Council if they affect the School's business and monitor adherence to regulatory requirements. The Committee also recommends to the Board the Annual Accounts for approval, and is responsible for producing an annual report on the effectiveness of the School's governance arrangements. A private meeting of the Internal and External Auditors with independent members of the Committee takes place at the November meeting of the Committee.

A joint meeting of the **Audit and Risk Committee/Business and Estates Committee** took place in session 2022/23 to consider the draft Annual Report and Financial Statements to 31 July 2022, prior to Board approval and submission to the Scottish Funding Council.

The **Business and Estates Committee** met seven times in session 2022/23. The Business and Estates Committee is responsible for developing the strategic financial management of GSA in response to the Strategic Plan; ensuring that GSA's finances, estates, and associated matters are managed efficiently and effectively; providing comment on the School's Institutional Risk Register; noting annual accounts to the Board; considering the School's annual budgets, including budgetary submissions to the Scottish Funding Council; considering the School's annual Operational and Implementation Plan; and reviewing and approving the level of overseas and RUK student fees for each academic year. Owing to aspects of its remit, the Committee also monitors progress with regards to the development of the Strategic Plan, and offers comment on this to the Board when the latter considers this matter for approval. The Committee is also responsible for approving the level of block grant to the Students' Association each year and reviewing regular financial reports prepared by the Association, as well as considering the establishment of related companies/joint ventures prior to consideration to the Board.

The **Health and Safety Committee** met four times in session 2022/23. The Committee provides Board oversight and has a Governor membership comprising Independent Governors, elected Staff Governors, Student Governors, Trade Union Governors, and the Director of GSA. The Director of Estates also attends. At management level, the Occupational Health and Safety Management Committee is convened by the Director of Estates and Infrastructure, with senior management, trade unions, students, and the Director as part of the membership. The role of the Board-level committee is to gain assurance from the Director of GSA and the Director of Estates and Infrastructure that all management-level Health and Safety matters are appropriate. The statutory obligation to consult on Health and Safety matters is delivered by the management-level committee.

The **Human Resources Committee** met four times in session 2022/23 and is responsible for the review and approval, subject to Board amendment, of policies relating to the employment of staff and the monitoring of the effective management of these affairs, along with matters relating to equality.

The **Museum and Archive Committee** met four times in session 2022/23 and considers and makes recommendations on matters relating to the School's Museum and Archive Collections.

The **Nominations Committee** oversees and recommends to the Board the appointment and renewal of Independent Governors, and the appointment of Board office-holders. In session 2022/23, the Committee met once, but otherwise conducted its business through correspondence. Four meetings of the committee are scheduled to take place during the 2023/24 academic session.

The **Remuneration Committee** met five times in session 2022/23. The Remuneration Committee is responsible for agreeing the remuneration of those senior staff not covered through national pay scales, and for considering the terms and conditions and severance payments for such staff (subject to Scottish Funding Council guidance). Details of remuneration for the year under review are specified in this report.

The work of the Remuneration Committee is governed by the Remuneration Committee Framework, and is informed by benchmarking data and comparator information on salaries and other benefits and conditions of service in the Higher Education sector. The Framework provides clarity on the circumstances under which remuneration for senior roles should be considered and what the process is, the information that should be used as a basis for decision-making, and the parameters and process for approval. The procedures outlined in the Framework follow the principles of the Code, the Higher Education Governance (Scotland) Act 2016, and the Equality Act 2010; they aim to ensure:

- A fair and transparent approach to senior staff remuneration that reflects the markets within which GSA operates;
- Appropriate and justified levels of remuneration for senior staff based upon use of appropriate comparative information from established independent sources;
- Proportionality and consistency of application of decision-making factors.

The President of the Students' Association and the Academic Staff Governor are members of the Committee. Proposals are prepared by the Director of Human Resources. The views of students and staff in relation to the remuneration of the Director and senior staff are sought by the Director of Human Resources from the Student President and Trade Union Forum representatives in advance of Remuneration Committee consideration and their feedback is included in submissions to the Committee. The Director of Human Resources feeds back the decision-making rationale to the Trade Union Forum.

While not a Board committee, the **Steering Group (Mackintosh)** is convened by an Independent Governor. In addition to Independent Governors, it also includes external members. The Steering Group provides constructive challenge to the Project Development Board (Mackintosh), and offers insights to the Business and Estates Committee as appropriate. The Board of Governors has overall and final authority for all works on the Mackintosh Building in alignment with the primary responsibilities set out in GSA's Statement of Corporate Governance, i.e. as the principal financial and business authority of the School, taking all final decisions on matters of major concern to the School. On all matters pertaining to the works of the Mackintosh Building, the Board will continue to be informed by the views and recommendations of the Business and Estates Committee.

Board Committee Membership

The following persons served on the committees of the Board during the financial year reported in these accounts and into academic session 2023/24.

Audit and Risk Committee: Mr Andrew Sutherland, Convenor; Dr Simon Learoyd; Mr Michael McAuley (until 30 September 2022); Mr Harry Rich (from 14 November 2022); and Professor Adrienne Scullion (from 1 December 2023).

Business and Estates Committee: Mr Habib Motani, Convenor; Professor Stephen Hodder (from 1 December 2023); Ms Josephine Kay-Ogunsola (from 28 March 2023 until 31 July 2023), Ms Ann Priest; Professor Penny Macbeth; Mr Michael McAuley (until 30 September 2022), Vice Convenor; Mr Rory O'Neill (until 27 March 2023); Mr Harry Rich; Mr James Sanderson; and Dr Graham Sharp; Professor Andrea Siodmok (from 1 December 2023); and Ted Tinkler (from 1 August 2023).

Health and Safety: Dr Martin Herbert, Convenor (until 31 August 2022); Mr James Sanderson, Convenor (from 1 September 2022); Mr Thomas Greenough, Ms Josephine Kay-Ogunsola (from 28 March 2023 until 31 July 2023); Professor Penny Macbeth; Ms Marianne McInnes (until 26 January 2023); Ms Kathy Molloy (until 30 November 2023); Mr David Nutter; Mr Rory O'Neill (until 27 March 2023); and Mx Ted Tinkler (from 1 August 2023).

Human Resources Committee: Ms Kristen Bennie, Convenor (from 17 October 2022); Professor Graham Caie, Interim Convenor (until 16 October 2022); Ms Ann Priest, Mr Thomas Greenough; Professor Penny Macbeth; Ms Marianne McInnes (until 26 January 2023); Ms Kathy Molloy (until 30 November 2023); Mr David Nutter; and Mr Tsz Wu.

Nominations Committee: Ms Ann Priest, Convenor (from 10 March 2022); Ms Kristen Bennie, Convenor (until 10 March 2023); Professor Graham Caie; Dr Martin Herbert; Dr Kate Lampitt Adey; Professor Penny Macbeth; Ms Marianne McInnes (until 26 January 2023); Mr Habib Motani; Mr Stephen Marshall (from 29 September 2022); Mr Rory O'Neill (until 27 March 2023); and Mr Andrew Sutherland; and Mx Ted Tinkler (from 1 August 2023).

Museum and Archive Committee: Dr Kate Lampitt Adey, Convenor; Ms Josephine Kay-Ogunsola (From 28 March 2023 until 31 July 2023); Mr Rory O'Neill (until 27 March 2023); Mr Harry Rich, Vice Convenor; Professor Penny Macbeth; Mx Ted Tinkler (from 1 August 2023);and Professor Anne Trefethen.

Remuneration Committee: Graham Caie, Convenor; Ms Kristen Bennie; Ms Josephine Kay-Ogunsola (from 28 March 2023 until 31 July 2023); Mr Habib Motani; Mr David Nutter; Mr Rory O'Neill (until 27 March 2023); Mx Ted Tinkler (from 1 August 2023; and Professor Anne Trefethen.

Chair Election Committee: Dr Graham Sharp, Convenor, Ms Josie Kay-Ogunsola, Dr Simon Learoyd, Professor Penny Macbeth, Mr Michael McAuley (until 30 September 2022), Ms Kathy Molloy (until 30 November 2023), and Professor Anne Trefethen. For all members, membership of the Committee ceased with the conclusion of the process on 14 October 2022.

Board Effectiveness

In accordance with GSA's Statement of Corporate Governance, and in line with the expectations of the Scottish Code of Good HE Governance (2017), that the School monitor and evaluate the effectiveness of its Board of Governors, the Corporate Governance Office undertook an annual review of the Chair and governors' effectiveness during session 2022/23. With regards to the third element of the internal review process - the annual Board Effectiveness exercise - it was agreed that this would be subsumed within the externally facilitated Board review, which would take place in session 2023/24.

In alignment with GSA's obligations under the Scottish Code of Good HE Governance, an externally facilitated evaluation of Board effectiveness is undertaken every five years. An externally facilitated review will take place during academic session 2023/24. This exercise will be overseen by the Audit and Risk Committee, with appropriates updates and proposals being made to the Board prior to the review commencing.

Attendance at meetings between 1 August 2022 and 31 July 2023

The attendance of the individual Governors at Board and principal Committee meetings between 1 August 2022 and 31 July 2023 was as follows:

	Board of Governors	Audit and Risk	Business and Estates	Health and Safety	Human Resources	Museum and Archive
	Number of Meetings and Attendance					
	5**	5***	7****	4	4	4
Ms Kristen Bennie	5				3 of 4	
Professor Graham Caie	5				4	
Professor John French	1 of 2					
Mr Thomas Greenough	4 of 5			2 of 4	3 of 4	
Dr Martin Herbert	5			4		
Dr Kate Lampitt Adey	4 of 5					3 of 4
Dr Simon Learoyd	5	5				
Mr Michael McAuley	0 of 1	0 of 1	1 of 1			
Ms Marianne McInnes	2 of 3			1 of 2	1 of 2	
Professor Penny Macbeth	4 of 4	5	6 of 7	4	4	4
Ms Kathy Molloy	4 of 5			3 of 4	4	
Mr Habib Motani	4 of 5		7			
Mr Digger Nutter	5			2 of 4	4	
Ms Josephine Kay-Ogunsola	4 of 5		3 of 3	2 of 4		1 of 4
Mr Rory O'Neill	3 of 4		4 of 4	0 of 3		2 of 3
Ms Ann Priest	5	4 of 5*	7		4*	
Mr Harry Rich	4 of 5	2 of 4	5 of 7			4
Mr James Sanderson	3 of 5		6 of 7	4		
Dr Graham Sharp	4 of 5		6 of 7			
Mr Andrew Sutherland	5	5				
Professor Anne Trefethen	3 of 5					2 of 4
Mr Tsz Wu	4 of 5				2 of 4	
Interim Secretary to the Board	4 of 4*	1 of 3*	1 of 6*	-	-	-

* Denotes attendee, not full member

** The full Board normally meets four times each year in committee form and once per year in away-day format. In 2022/23, one additional meeting was held.

*** The Audit and Risk Committee normally meets four times each year. In 2022/23, one additional meeting was held in March 2023, to consider a recommendation in relation to a new Internal Audit Service provider for the Board of Governors.

****The Business and Estates Committee normally meets four times each year. In 2022/23, three additional meetings were held in February, May, and June 2023.

The Secretary and Registrar may attend any meeting of the Board.

Corporate strategy

The Board's responsibilities include providing input into approving and monitoring the School's long-term strategic plans. The Director is responsible for providing Governors with advice on the strategic direction of the School.

The Board approved the Annual Implementation Plan for session 2022/23 in October 2022. The Annual Implementation Plan is aligned to the GSA Strategic Plan 2022-2027. Throughout the course of session 2022/23, the Board received regular reports from the Director on progress against the delivery of the Annual Implementation Plan. An Implementation Plan for 2023/24. was approved by the Board in June 2023.

During the year, both the Business and Estates Committee and the Board of Governors were regularly appraised of the progress of the Strategic Plan and its associated performance indicators. The Strategic Plan was also the focus of discussions at the Board of Governors Strategic Away-day, held on 3 February 2023, where Board members shared and discussed the School's emerging support plans, including the GSA Communications Strategy, People Strategy, Digital Strategy, and Finance Support Strategy.

Risk management

The Risk Management Framework establishes the processes GSA follows in order to monitor, manage and mitigate risk and the institution's appetite for risk across its portfolio of work. This is the overarching approach the School has in place to identify, manage, mitigate and monitor all risks in relation to achieving its strategic objectives and operational performance. The most recent iteration of the Risk Management Framework was considered by the Board in October 2023. The Risk Management Framework 2022-2027 replaced the 2019 version and was produced in line with the development of the GSA Strategic Plan 2022 – 2027. The Risk Register is comprehensively reviewed annually in line with the development of Annual Implementation Plans and thereafter reviewed on a quarterly basis. The Framework will also be reviewed in line with the mid-point review of the Strategic Plan.

The School's Risk Appetite is designed to provide guidance to staff to ensure that they have confidence in being innovative and ambitious or conservative and compliant, and to know the parameters, for example, where it is necessary to refer to the Senior Leadership Group, which will engage with the Board (including Board Committees) as appropriate. Overall responsibility for ensuring that the School undertakes activities in line with its appetite for risk lies with the Director, with the support of members of the GSA's Senior Leadership Group.

The GSA Senior Leadership Group reviews the Institutional Risk Register on a quarterly basis to consider risks, update the mitigations and amend the risk profile. A senior staff member from the outsourced Internal Audit service attends the Senior Leadership Group on a quarterly basis (prior to the submission of the Institutional Risk Register to the Audit and Risk Committee) in order to review the Risk Register and to provide external guidance and advice on the scope of assurance for managing risk provided by GSA's internal audit programme. In line with the Risk Management Framework, responsibility for reviewing and approving the Institutional Risk Register continues to reside with GSA's Audit and Risk Committee, which, as referenced above, remains responsible for reviewing the Institutional Risk Register in detail.

The GSA's risk appetite is also considered annually by the Board, in collaboration with the Senior Leadership Group, as part of the Strategic Planning process and the approval of the Annual Implementation Plan. The Annual Review of GSA's risk appetite was considered at the Senior Leadership Group on 16 May 2023 in the context of the new GSA Strategic Plan 2022-2027 and the Annual Implementation Plan 2023/24, where it was considered that GSA's appetite for risk was accurate and current.

A recent focus on Business Continuity has seen the establishment of a new Business Continuity Group, and the development of a Business Continuity Plan and an emergency response plan. As well as supporting our core operations, these plans will embed the lessons learned from the response to COVID-19 and other major incidents, both from the GSA and the wider sector. In terms of additional Board oversight, the Institutional Risk Register continued to be provided to the Business and Estates Committee in session 2022/23 for information, on the basis that some of the matters to be considered by the Business and Estates Committee will be as a result of items on the Institutional Risk Register.

Since the publication of the 2020 Enhancement-led Institutional Review (ELIR) Report and QAA Concerns recommendations, a key focus for the Board has been to monitor the School's institutional response. Both the ELIR and National Student Survey have been regular items on the Board agenda for session 2022/23.

Internal control

The Purpose of the System of Internal Control

The Board is responsible for the School's system of internal control and for reviewing its effectiveness. Such a system is designed to manage, rather than eliminate, risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The process for reviewing the effectiveness of the system of internal control is through management reports, as well as reports from the internal auditor to the various committees, and, in particular, the Audit and Risk Committee. The Board and the Audit and Risk Committee review the Institutional Risk Register. Internal Audit Reviews provide a mechanism for GSA's approach to risk and business continuity, and these reports are provided to the Audit and Risk Committee in line with the annual Internal Audit Plan.

Review of effectiveness of the internal control system

The School's Internal Audit service is outsourced to a professional firm of auditors, which operates in accordance with the requirements of the Scottish Funding Council's Financial Memorandum. The work of the internal audit service is informed by an analysis of the risks to which the School is exposed, and annual audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Board on the recommendation of the Audit and Risk Committee. The Internal Auditor provides the governing body with an annual report on internal audit activity in the School. The report includes the Internal Auditor's independent opinion on the adequacy and effectiveness of the School's system of risk management, controls and governance processes.

In September 2023, the annual report of the Internal Auditor to the Board expressed their opinion that Glasgow School of Art has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money. An opinion that the auditor arrived at taking into consideration the work they had undertaken during 2022/23 and the work undertaken in previous years since their initial appointment.

The External Auditor also reports to the Director of Finance and the Audit and Risk Committee on any internal control issues that they identify during its normal audit activities.

The Scottish Code of Good Higher Education Governance

As acknowledged by the Scottish Funding Council, the School had until 2020 to fully comply with the Higher Education Governance (Scotland) Act 2016. The Act required substantial changes to the School's governance framework including a new statutory instrument (Order of Council) and associated new rules for the nomination of new categories of member of the Board of Governors and the establishment of a new Academic Council membership. In recent sessions, almost all of the School's documentation has been rewritten and supplemented to align with the terms of the Act and the Scottish Code, and to enhance the codification of the School's commitment to the highest standards of good governance. The amendment to the School's governing instruments involved extensive liaison with the Scottish Government, GSA's solicitors, the Privy Council and OSCR, with the new Order of Council coming into force on 30 November 2020, and new Articles of Association being adopted shortly thereafter.

In the opinion of the Board, throughout this year, the School has continued to fully comply with all the principles and provisions of the 2017 Scottish Code of Good Higher Education Governance.

During the current year, a revised 2023 Scottish Code of Good HE Governance was published. In line with the expectations of the Scottish Funding Council, GSA continued to comply with the 2017 version of the Code during session 2022/23, and will adopt the revised 2023 Code during session 2023/24.

Going concern

The Group's and the School's activities and the factors likely to affect its future development, performance and position are set out in the Strategic Report. Its financial performance for the year to 31 July 2023, income and expenditure, assets, liquidity and cash flows are set out in more detail in the Notes to the Financial Statements.

2020/21 saw the final cohort of students graduate from the academic programmes that we ran in Singapore. The company ceased operations on 31 July 2021. To effect its dissolution, the company entered a Members Voluntary Liquidation on 1 September 2023. At that time, the company holds net assets of £1.3m, which, following the conclusion of the liquidation, will be returned to the member, Glasgow School of Art.

The Group and the School have adequate financial resources and its current forecasts and projections show it able to manage its activities having taken account of risks and uncertainties highlighted in the Annual Report and Financial Statements. The Board of Governors considers that the Group and the School has adequate resources to continue in operation for the foreseeable future and for this reason the going concern basis continues to be adopted when preparing the Financial Statements.

Conclusion

In conclusion, the Board is satisfied with the corporate governance and internal control arrangements in place

Ann Priest, Chair of the Board of Governors
21 December 2023

Professor Penny Macbeth, Director
21 December 2023

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the Board of Governors of Glasgow School of Art

Opinion

We have audited the financial statements of The Glasgow School of Art ('the institution' or 'the School') and its subsidiaries (the 'Group') for the year ended 31 July 2023 which comprise the Statement of Comprehensive Income and Expenditure, Balance Sheet, Cash Flow Statement, Statement of Changes in Reserves, and the related notes 1 to 32, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Group's and School's state of affairs as at 31 July 2023 and of the income and expenditure, recognised gains and losses, changes in reserves, and of the Group's statement of cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education, and relevant legislation; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or School's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The Board of Governors is responsible for the other information. The other information comprises the information included in the annual report set out on pages 1-37, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Independent auditor's report to the Board of Governors of Glasgow School of Art (continued)

Opinion on other matters prescribed by the Scottish Funding Council's Financial Memorandum with Higher Education Institutions

In our opinion, based on the work undertaken in the course of the audit, in all material respects:

- The Scottish Funding Council's accounts direction have been met;
- funds from whatever source administered by the institution for specific purposes have been applied properly to those purposes and, if relevant, managed in accordance with relevant legislation, and any other terms and conditions attached to them; and
- funds provided by the Scottish Funding Council have been applied in accordance with the requirements of the Scottish Funding Council Financial Memorandum with Higher Education Institutions.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Responsibilities of the Board of Governors

As explained more fully in the Responsibilities of the Board of Governors for accounting and the financial statements set out on pages 26, the Board (who are Trustees for the purpose of charity law and Directors for the purpose of company law) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Governors is responsible for assessing the Group's and School'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 the Board of Governors either intend to liquidate the institution or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Group and School operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

The laws and regulations we considered in this context were the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006 and regulation 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

We identified the greatest risk of material impact on the financial statements from irregularities including fraud to be:

- Management override of controls to manipulate the institution's key performance indicators to meet targets;
- Income recognition for specific income streams; and
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the Group and School needs to comply with for the purpose of trading.

Independent auditor’s report to the Board of Governors of Glasgow School of Art (continued)

Our approach was as follows:

- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage income and expenditure. Where this risk was considered higher, we performed audit procedures to address the risk of fraud and management override. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error;
- We have performed analytical and/or substantive procedures over all significant revenue streams;
- We understood how the institution is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquires through our review of the Board minutes and papers provided to the Audit and Risk Committee, as well as consideration of the results of our audit procedures to either corroborate or provide contrary evidence which was then followed up;
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management, those charged with governance and those responsible for legal and compliance procedures; journal entry testing with a focus on journals indicating large or unusual transactions based on our understanding of the business and a review of Board minutes to identify any non-compliance with laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

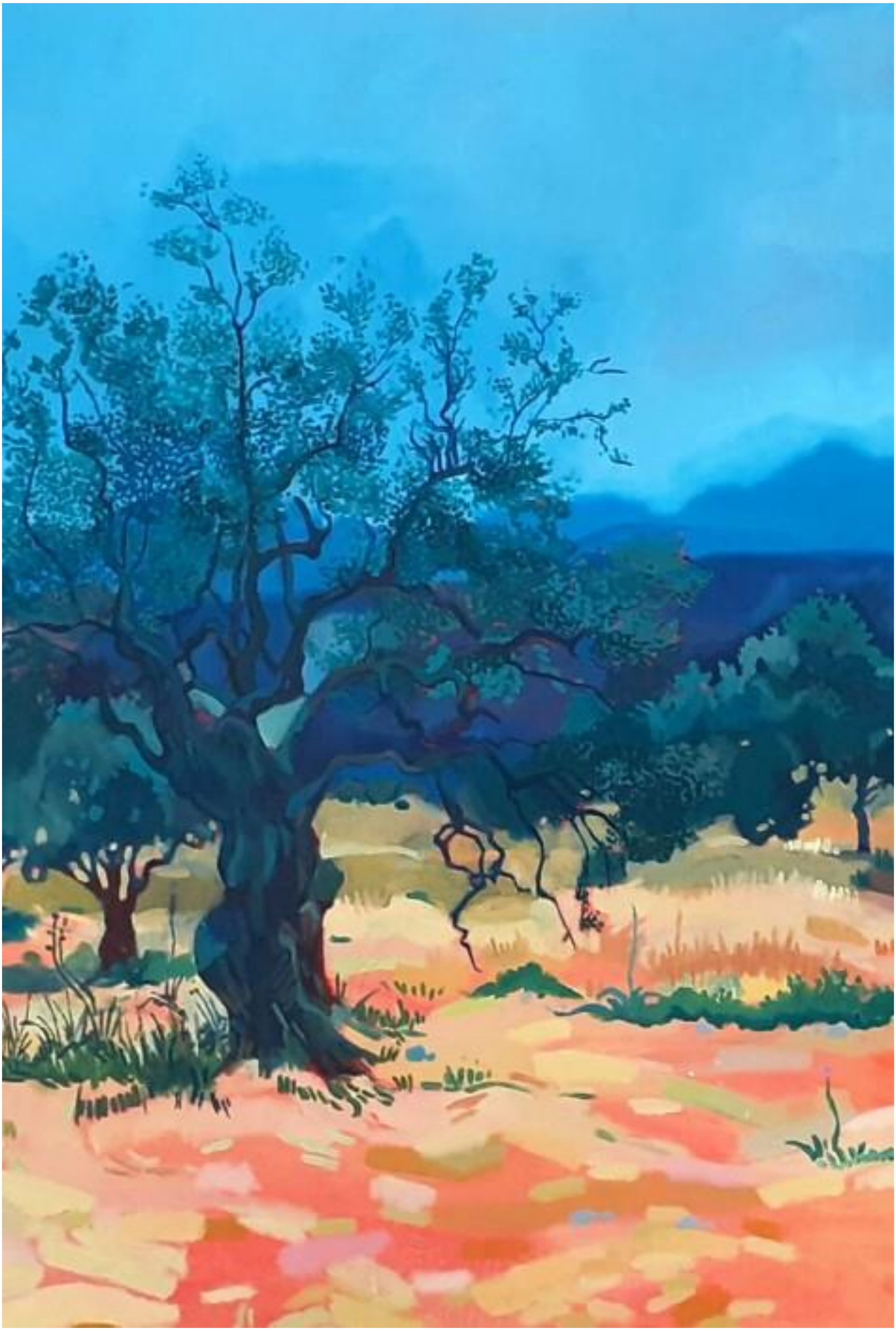
Use of our Report

This report is made solely to the Board of Governors, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the Board of Governors, as a body, 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 Glasgow School of Art and the Board of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Shaw
for and on behalf of Anderson & Brown Audit LLP
Statutory Auditor
81 George Street
Edinburgh
EH2 3ES

Date: 21 December 2023

FINANCIAL STATEMENTS



Group and School Statement of Comprehensive Income

Year ended 31 July 2023

		Year ended 31 July 2023		Year ended 31 July 2022	
		Consolidated	**School**	Consolidated	School
	Note	**£000**	**£000**	£000	£000
Income					
Tuition fees and education contracts	1	**21,375**	**21,375**	19,216	19,216
Funding body grants	2	**15,248**	**15,248**	15,320	15,320
Research grants and contracts	3	**1,877**	**1,877**	1,309	1,309
Other income	4	**4,368**	**4,368**	3,046	3,066
Insurance income	4	**3,494**	**3,494**	5,040	5,040
Development Trust income	4	**1**	**-**	5	-
Investment income	5	**747**	**747**	399	399
	6	**47,110**	**47,109**	44,335	44,350
Expenditure					
Staff costs	7	**27,751**	**27,751**	27,792	27,786
Other operating expenses	8	**14,593**	**14,593**	12,661	12,734
Mackintosh Building debris clearance and stabilisation work	8	**-**	**-**	72	72
Depreciation	12	**2,576**	**2,576**	2,757	2,757
Interest and other finance costs	9	**(193)**	**(193)**	441	441
		44,727	**44,727**	43,723	43,790
Surplus/(deficit) before other gains losses and share of operating surplus of joint ventures and associates		**2,383**	**2,382**	612	560
Accumulated income retained within specific endowments	14	**39**	**39**	519	519
(Loss)/Gain on investments - appreciation of endowment assets	14	**(180)**	**(180)**	(106)	(106)
Surplus/(deficit) before tax		**2,242**	**2,241**	1,025	973
Taxation	11			-	-
Surplus/(deficit) for the year		**2,242**	**2,241**	1,025	973
Other comprehensive income					
Actuarial gain in respect of pension schemes	28	**11,303**	**11,303**	29,704	29,704
Revaluation of heritage assets	13	**387**	**387**	29	(18)
Reserve exchange rate adjustment		**(40)**	**-**	127	-
Total comprehensive income for the year		**13,892**	**13,931**	30,885	30,659
Represented by:					
Endowment comprehensive income for the year		**(141)**	**(141)**	413	413
Restricted comprehensive income for the year		**1**	**-**	1	-
Unrestricted comprehensive income for the year		**13,645**	**13,685**	30,442	30,264
Revaluation reserve comprehensive income for the year		**387**	**387**	29	(18)
		13,892	**13,931**	30,885	30,659

All items of income and expenditure relate to continuing activities. GSofA Singapore ceased trading in 2022 and will be liquidated during the year ending 31 July 2024.

Group and School Statement of Changes in Reserves

Year ended 31 July 2023

	Endowment	Restricted	Income and expenditure reserve	Revaluation reserve	Total
	£000	£000	£000	£000	**£000**
CONSOLIDATED					
Balance at 1 August 2021	5,263	8,365	5,668	15,191	34,487
Total comprehensive income	413	1	30,442	29	30,885
Transfers between revaluation and income and expenditure reserve	-	-	96	(96)	-
Balance at 1 August 2022	**5,676**	**8,366**	**36,204**	**15,126**	**65,372**
Total comprehensive income	(141)	1	13,645	387	13,892
Transfers between revaluation and income and expenditure reserve	-	-	94	(94)	-
Balance at 31 July 2023	**5,535**	**8,367**	**49,943**	**15,419**	**79,264**
SCHOOL					
Balance at 1 August 2021	5,263	7,910	4,593	15,161	32,927
Total comprehensive income	413	-	30,264	(18)	30,659
Transfers between revaluation and income and expenditure reserve	-	-	95	(95)	-
Balance at 1 August 2022	**5,676**	**7,910**	**34,952**	**15,048**	**63,586**
Total comprehensive income	(141)	-	13,685	387	13,931
Transfers between revaluation and income and expenditure reserve	-	-	94	(94)	-
Balance at 31 July 2023	**5,535**	**7,910**	**48,731**	**15,341**	**77,517**

Group and School Balance Sheet

As at 31 July 2023

		Year ended 31 July 2023		Year ended 31 July 2022	
		Consolidated	**School**	Consolidated	School
	Note	**£000**	**£000**	£000	£000
Non-current assets					
Fixed assets	12	**88,784**	**88,784**	78,608	78,608
Heritage assets	13	**13,923**	**13,780**	13,536	13,393
Investments	14	**5,535**	**5,535**	5,676	5,676
		108,242	**108,099**	97,820	97,677
Pension asset	20	**17,445**	**17,445**	6,370	6,370
Current assets					
Stock	16	**169**	**169**	129	129
Debtors greater than one year	17	**5,252**	**-**	5,252	-
Trade and other receivables	17	**2,541**	**3,328**	6,915	7,668
Cash and cash equivalents	23	**18,563**	**16,404**	22,155	19,983
		26,524	**19,898**	34,451	27,780
Less Creditors: amounts falling due within one year	18	**(10,804)**	**(10,784)**	(9,238)	(9,211)
Net current assets		**15,721**	**9,117**	25,213	18,569
Total assets less current liabilities		**141,408**	**134,661**	129,403	122,617
Creditors: amounts falling due after more than one year	19	**(61,478)**	**(56,478)**	(63,296)	(58,296)
Provisions					
Pension provisions	20	**(666)**	**(666)**	(735)	(735)
Total net assets		**79,264**	**77,517**	65,372	63,586
Restricted Reserves					
Endowment reserve	21	**5,535**	**5,535**	5,676	5,676
Restricted reserve	22a	**8,367**	**7,910**	8,366	7,910
Unrestricted Reserves					
Income and expenditure reserve	22b	**49,943**	**48,731**	36,204	34,952
Revaluation reserve	22c	**15,419**	**15,341**	15,126	15,048
Total Reserves		**79,264**	**77,517**	65,372	63,586

The financial statements were approved by the Board of Governors on 21 December 2023 and were signed on its behalf on that date by:

Professor Penny Macbeth, Director

Ann Priest, Chair of the Board of Governors

Company no: SC002271

Group Statement of Cash Flows

Year ended 31 July 2023

	Note	2023 £000	2022 £000
Cash flow from operating activities			
Surplus/(deficit) for the year		**2,242**	1,025
Adjustment for non-cash items			
Depreciation	12	**2,576**	2,757
(Increase) in stock	16	**(40)**	(6)
(Increase)/decrease in debtors	17	**4,375**	(4,992)
(Decrease)/increase in creditors	18	**1,526**	(295)
(Decrease) in pension provision	20	**(69)**	(74)
Tax paid	11	**-**	-
Staff costs - FRS102 pension adjustment	7	**444**	3,150
Adjustment for investing or financing activities			
Release of deferred capital grants	19	**(1,191)**	(1,242)
Loss/(gain) on investments	14	**180**	106
Accumulated income of endowment investments	21	**(39)**	(519)
Investment income	5	**(747)**	(399)
Interest payable	9	**(193)**	441
Net cash inflow from operating activities		**9,064**	(48)
Cash flows from investing activities			
Investment income	5	**747**	399
Payments made to acquire fixed assets	12	**(12,752)**	(7,897)
		(12,005)	(7,498)
Cash flows from financing activities			
Interest paid	9	**(23)**	(99)
New unsecured loans	18,19	**-**	-
Repayments of loan amounts borrowed	18,19	**(628)**	(1,346)
		(651)	(1,445)
(Decrease)/increase in cash and cash equivalents in the year		**(3,592)**	(8,991)
Cash and cash equivalents at beginning of the year	23	**22,155**	31,146
Cash and cash equivalents at end of the year	23	**18,563**	22,155
Decrease/increase in cash and cash equivalents in the year		**(3,592)**	(8,991)

The reconciliation of net debt appears in Note 24

Statement of principal accounting policies and estimation techniques

Year ended 31 July 2023

1. General information

Glasgow School Art is a registered company and its registered number is SC002271. It is also a registered charity in Scotland and its registered number is SC012490. The registered address is 167 Renfrew Street, Glasgow, G3 6RQ. Glasgow School of Art is registered under The Further and Higher Education (Scotland) Act 1992.

2. Basis of preparation

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Accounts Direction issued by the Scottish Funding Council and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition).

Glasgow School of Art is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable accounting standards.

The financial statements have been prepared under the historical cost convention, subject to the revaluation of certain fixed assets.

The effect of events relating to the year ended 31 July 2023, which occurred before the date of approval of the financial statements by the Board of Governors have been included in the financial statements to the extent required to show a true and fair view of the state of affairs as at 31 July 2023 and of the results for the year ended on that date.

The presentation currency is pounds sterling and the financial statements are rounded to the nearest £000.

3. Going concern

The Group's activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report. Within that report is a review of the Institution's financial performance, its cash flows, liquidity position and borrowing facilities.

At 31 July 2023 the Group held cash and cash equivalents of £18.6 million, while net current assets were £15.7 million. At the balance sheet date the Group had external borrowings in the form of £9.3 million unsecured loans from Salix and the SFC, which are fully repayable in the next 4 and 20 years, respectively. The Board of Governors has reviewed financial forecasts, including plans for future student recruitment, and after reviewing the assumptions utilised in the forecast scenarios, it is satisfied that GSA is expected to be able to meet its commitments and obligations for at least the next twelve months from the date of the signing of this report.

GSA has prepared a 3-year financial plan that forecasts that the Group will generate income and manage its expenditure such that it will generate and maintain sufficient working capital to deliver its activities and projects and anticipates that the Group will continue to do so over the period of those future financial plans. In addition, the Group continues to carry cash balances to support liquidity in the event of an adverse financial event.

Having taken account of risk and uncertainty, the Board considers that the School and Group have adequate resources to continue in operation for the foreseeable future and for this reason, it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

4. Exemptions under FRS 102

The Group has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the School.

5. Basis of consolidation

These financial statements comprise the results of the School and of its Group. The group financial statements include the School and its subsidiary, GSofA Singapore Pte Ltd. The group financial statements also include The Glasgow School of Art Development Trust which has been deemed as being controlled by GSA. Intra-group transactions and balances are eliminated fully on consolidation.

The activities of the GSA Students' Association have not been consolidated because Glasgow School of Art does not exert control or dominant influence over the Association's policy decisions.

6. Recognition of Income

Government revenue grants including the Scottish Funding Council's block grant and research grants are recognised in income over the periods which GSA recognises the related costs for which the grant is intended to compensate in line with the accruals model. 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.

Non-recurring grants from the SFC or other Government bodies received in respect of the acquisition of fixed assets are treated as deferred Government capital grants and amortised in line with depreciation over the life of the assets.

Income from contracts and other services rendered is included to the extent of the completion of the contract or service concerned.

Non-government revenue and capital grants are recognised as income once any performance conditions have been met.

Income from tuition fees is recognised in the financial period it relates to and includes all fees payable by students or their sponsors. Income from short term deposits is credited to the Statement of Comprehensive Income in the period in which it is earned. Income from specific endowments, not expended in accordance with the restrictions of the endowment, is transferred from the Statement Comprehensive Income to specific endowments.

In the Glasgow School of Art Development Trust's financial statements, the pledges and funding from the UK Government and matched funding from the Scottish

Government are shown as incoming resources. At group level, the funding from the UK and Scottish Governments are in substance deferred Government capital grants and have been treated as such within the Group figures.

Funds received and disbursed as a paying agent on behalf of a funding body or other body, where GSA is exposed to minimal risk or enjoys minimal economic benefit related to the receipt and subsequent disbursement of the funds, are excluded from the Statement of Comprehensive Income.

7. Interest receivable

Interest receivable is recognised in the Statement of Comprehensive Income when receivable.

8. Interest payable

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

9. Pension Schemes

Glasgow School of Art participates in two pension schemes providing benefits based on final pensionable pay, the Scottish Teachers Superannuation Scheme (STSS) and the Strathclyde Pension Fund (SPF). All schemes are available to staff of more than one employer, are contracted out of the State Earnings-Related Pension Scheme, and the assets of the schemes are held separately from those of School. The Funds are valued by actuaries, the rates of contributions being determined by the trustees on the advice of the actuaries.

Strathclyde Pension Fund
The scheme is a defined benefit scheme and is accounted as a defined benefit scheme under Financial Reporting Standard 102.

Pension scheme assets are measured using market values. For quoted securities the current bid price is taken as market value.

Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is recognised in the Statement of Comprehensive Income.

Scottish Teachers Superannuation Scheme
Members of the academic staff are members of the Scottish Teachers' Superannuation Scheme to which GSA contributes. It is not possible to identify each participating institution's share of the underlying assets and liabilities on a consistent and reasonable basis. Accordingly, GSA has utilised the provisions of FRS 102 whereby the contributions to the scheme are recognised as if it were a defined contribution scheme. The cost recognised within the Statement of Comprehensive Income will be equal to the contribution payable to the scheme for the year. Under statute, accounts for this scheme are prepared by the relevant body.

A small number of staff are in other defined contribution pension schemes but GSA would only contribute if the employee was ineligible to join one of the two main public sector schemes.

10. 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. Any unused benefits, such as holiday entitlements earned but not taken at the balance sheet date, are accrued and measured as the additional amount expected to be paid as a result of the unused entitlement.

11. Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at the Balance Sheet date. The resulting exchange differences are taken to the Statement of Comprehensive Income in the year.

12. Leased assets

Operating leases and the total payments made under them are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Lease agreements which transfer substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments are shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied in order to reduce outstanding obligations and the interest element is charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets.

13. Property, plant and equipment

Land and Buildings
Land is stated at cost or valuation and is not depreciated while buildings are stated at cost or valuation, less a provision for depreciation. The basis of the valuation is depreciated replacement cost. The last valuation was carried out on 31 July 1995 by Grimleys, Chartered Surveyors. All additions since that date have been included at historical cost and their value is deemed to be at least equal to the cost incurred. Buildings are depreciated over their expected useful lives of up to 50 years, with subsequent improvements to buildings depreciated over their useful lives of 15 years.

Costs incurred in increasing the value of a building are capitalised if the cost of the improvement is over £5,000. If the cost incurred is over £5,000, but not considered to increase the value of the building, it will be written off in the year it is incurred. Where the property improvement cost that is to be capitalised has been incurred with the aid of a specific Government grant, it is depreciated as above. The related Government grant is treated as a deferred capital grant and released to the Statement of Comprehensive income over the period stated above.

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July 2022. They are not depreciated until they are brought into use.

Maintenance of Premises
The cost of routine maintenance is charged to the Statement of Comprehensive Income as incurred.

Equipment
All equipment and minor building improvements costing less than £5,000 for an individual item, or group of related items, is written off to the Statement of Comprehensive Income in the year of acquisition. All other equipment is capitalised at cost.

Capitalised equipment is depreciated over its useful economic life as follows:

- Telephone equipment: 10 years straight line
- Other IT equipment and software: 6 years straight line
- Furniture, fittings and minor building improvements: 10 years straight line
- Other equipment: 6 years straight line
- Minor building improvements 15 years straight line

Where the equipment that is to be capitalised has been acquired with the aid of a specific Government grant, it is depreciated as above. The related grant is treated as a deferred capital grant and released to the Statement of Comprehensive Income over the period stated above. A review for impairment is carried out if events or changes in circumstances indicate that the carrying amount of any fixed assets may not be recoverable. Depreciation is charged from the date of acquisition.

Non-government grants received to fund a capital asset are recognised as income when any performance conditions have been met.

Impairment
A review for impairment of property, plant and equipment is carried out if events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable.

14. Assets held for the Nation: Heritage Assets

Glasgow School of Art holds and conserves heritage assets for future generations. As a general policy, all heritage assets are recognised in the Balance Sheet. The costs or values have been obtained by a range of independent valuers or, where information on cost or value is not available and the cost of obtaining the information outweighs the benefits to the users of the financial statements, an estimated value is assigned to the asset based on previous valuations and the research, experience and knowledge of staff.

The carrying value of heritage assets is based on the insurance value as at 31 July 2023, and is updated on a quarterly basis to reflect ongoing acquisitions. The carrying value is reviewed where there is evidence of impairment e.g. where an item has suffered physical deterioration, damage or breakage. Any disposal of heritage assets will be noted in the Balance Sheet and will follow the procedures as set out in section 16 of the Collections Development Policy.

15. Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment in the Balance Sheet.

Endowment Asset Investments are included in the Balance Sheet at market value as at the year-end.

Current asset investments are liquid resources held as a readily disposable store of value. They include term deposits >3 months, government securities and loan stock held as part of treasury management activities. They exclude any such assets-held as endowment asset investments.

16. Stocks

Stocks are stated at the lower of cost or net realisable value.

17. Cash and cash equivalents

Cash flows comprise increases or decreases in cash. 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. No investments, however liquid, are included as cash. Cash equivalents includes deposits held for a maturity of less than 3 months.

18. Debtors

Short term debtors are measured at the transaction price, less any impairment.

19. Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

20. Salix loan

Salix is a non-departmental public body, owned wholly by Government and provides Government funding to the public sector to improve energy efficiency, reduce carbon emissions and lower energy bills. In line with FRS 102, the School has made an accounting policy choice to recognise this loan as a public benefit concessionary loan meaning that the loan is recognised at its principal value on initial recognition.

21. SFC University Financial transactions

The SFC University Financial transaction programme for Financial year 2020-21 offered access to low-interest loans to support carbon reduction activity, estates development and the student experience. GSA was successful in securing access to such a loan for works at the Stow Building. In line with FRS 102, the School has made an accounting policy choice to recognise this loan as a public benefit concessionary loan meaning that the loan is recognised at its principal value on initial recognition.

22. Government capital grants

Government Capital Grants, at amounts approved by The UK Government, The Scottish Government, Glasgow City Council or any other government agency, are treated as a deferred capital grant and are released to income in accordance with the accrual model over the useful life of the asset it relates. The accrual model requires recognition of income on a systematic basis over the period in which the related costs for which the grant is intended to compensate are recognised.

23. Government revenue grants

Government revenue grants are recognised using the accrual model which means the School recognises the grant in income on a systematic basis over the period in which the School recognises the related costs for which the grant is intended to compensate.

24. Non-government grants

Non-government capital and revenue grants are recognised using the performance model. If there are no performance conditions attached the grants are recognised as revenue when the grants are received or receivable.

A grant that imposes specific future performance related conditions on the recipient is recognised as revenue only when the performance related conditions are met.

A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

25. Provisions

Provisions are recognised when the School or Group has a present legal or constructive obligation as a result of a past event, and if 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 obligation.

26. Financial instruments

The School and Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets are derecognised when contractual rights to the cash flows from the assets expire, or when the School or Group has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

27. Contingent assets and liabilities

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

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

28. Taxation Status

Glasgow School of Art is a charity within the meaning of the Charities and Trustee Investment (Scotland) Act 2005 and as such is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010 and is recorded on the index of charities maintained by the Office of Scottish Charity Regulator (Charity No. SC012490). Accordingly, GSA is potentially exempt from taxation in respect of income capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 (CTA 2010) (formerly enacted Section 505 of the Income and Corporation Taxes Act 1988 (ICTA)) or Section 256 of the Taxation of Chargeable Gains Act 1992 the extent that such income or gains are applied to exclusively charitable purposes. GSA 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 on allocated tangible fixed assets is included in their cost.

The subsidiary commercial company, GS of A Singapore Pte, is subject to the tax laws of Singapore.

Revaluation gains relate to charitable activities and as such no deferred tax is recognised in respect of these unrealised gains.

29. Endowment funds

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

Restricted permanent endowment – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Unrestricted permanent endowment – the donor has specified that the fund is to be permanently invested to generate income stream for the general benefit of GSA.

Restricted expendable endowment – the donor has specified a particular objective allowing conversion of the endowed capital into income.

30. Critical accounting estimates and judgements

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Governors are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

Useful lives of property, plant and equipment
The useful lives of property, plant and equipment are based on the knowledge of the senior management team with respect to expected life cycles.

Impairment of fixed assets
There was consequential damage to the Reid, Bourdon and Assembly Buildings, arising from the 2018 Mackintosh Building fire. In the aftermath of the fire, the value of those buildings has been impaired, equal to the proportion that the damage element represented of the net book value of the whole asset immediately following the fire.

Recoverability of debtors
Bad debt provisions are incorporated where deemed necessary based on the senior management team's knowledge of the transactions and payment history of the debtor.

Obligations under the Strathclyde Pension Scheme and pension enhancements on early retirement
The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. The assumptions of the scheme's actuary have been reviewed and are considered reasonable and appropriate.

Due to the complexity of the evaluation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Recognising that, the financial impact of that uncertainty is quantified in the sensitivity analysis of the principal assumptions used to measure the scheme liabilities included in note 28.

The quantum of the asset ceiling calculated by the actuary and applied in the assessment of the recognition of the pension surplus is a key area of judgement and estimation.

The valuation of the heritage assets
The balance sheet valuation of the archives is based on their insurance value and that of the collection assets is based on an assessment of their commercial value. Those sums arise out of the valuations carried out by a range of independent valuers.

Mackintosh project
Following the fire in June 2018, the capital value of the works performed to date in restoring the Mackintosh Building from the first fire in 2014 was fully impaired as part of the financial statements for the year ended 31 July 2018. The costs incurred in 2018/19 to 2020/21, in respect of stabilising the remaining structure and site clearance costs were expensed. 2021/22 marked a transition from work associated with clearance and stabilisation to one where the preliminary efforts relating to the building's reconstruction began, and since when, costs incurred in relation to that building are capitalised.

Stow Building
A grant was received in respect of the Stow Building that has been included within Deferred Capital Grants. This grant has been allocated fully against the structure of the Stow Building and will be amortised over the useful life of the structure, which is 50 years.

Notes to the financial statements

1 Tuition fees and education contracts

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	School £000	Consolidated £000	School £000
Scotland home domicile fees	**2,317**	**2,317**	2,620	2,620
EU domicile fees	**803**	**803**	925	925
RUK domicile fees	**3,318**	**3,318**	3,212	3,212
Non-EU domicile fees	**13,903**	**13,903**	11,704	11,704
Education contracts	**589**	**589**	507	507
Non-credit bearing course fees	**445**	**445**	248	248
	21,375	**21,375**	19,216	19,216

2 Funding body grants

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	School £000	Consolidated £000	School £000
General fund - Teaching	**8,574**	**8,574**	8,648	8,648
General fund - Research and Knowledge Exchange	**1,724**	**1,724**	1,749	1,749
Small specialist institution grant	**2,996**	**2,996**	2,996	2,996
Non-recurring COVID-19 support	**-**	**-**	114	114
Other SFC grants	**795**	**795**	603	603
Deferred capital grants released in year: Buildings	**1,059**	**1,059**	1,110	1,110
Equipment	**100**	**100**	100	100
	15,248	**15,248**	15,320	15,320

3 Research grants and contracts

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	School £000	Consolidated £000	School £000
Research councils	**775**	**775**	521	521
Research charities	**64**	**64**	13	13
Government (UK and overseas)	**1,027**	**1,027**	740	740
Industry and commerce	**11**	**11**	30	30
Other	**-**	**-**	5	5
	1,877	**1,877**	1,309	1,309

4 Other income

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	School £000	Consolidated £000	School £000
Residences	**2,225**	**2,225**	1,761	1,761
Release from deferred capital grants (Non SFC)	**32**	**32**	32	32
Other income generating activities	**204**	**204**	235	235
Other income	**1,907**	**1,907**	1,018	1,037
	4,368	**4,368**	3,046	3,066
Insurance monies (including accrued income)	**3,494**	**3,494**	5,040	5,040
Development Trust income	**1**	**-**	5	-

5 Investment income

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	School £000	Consolidated £000	School £000
Investment income on endowments	**296**	**296**	351	351
Other investment income	**451**	**451**	48	48
	747	**747**	399	399

6 Segmental reporting

The group activities are carried out in Glasgow and Singapore.
Group Turnover for these two markets is split as:

	Year ended 31 July 2023	Year ended 31 July 2022
	Consolidated £000	Consolidated £000
Glasgow	**47,110**	44,335
Singapore	**-**	-
	47,110	44,335

7 Staff costs

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	School £000	Consolidated £000	School £000
Salaries	**20,878**	**20,878**	18,889	18,883
Social security costs	**2,099**	**2,099**	1,944	1,944
Pensions	**4,264**	**4,264**	3,622	3,622
Pension FRS 102 service charge (note 28)	**444**	**444**	3,150	3,150
Severance and redundancy costs	**66**	**66**	187	187
Total	**27,751**	**27,751**	27,792	27,786

Staff costs per activity	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	School £000	Consolidated £000	School £000
Academic	**11,519**	**11,519**	10,220	10,214
Academic support	**4,155**	**4,155**	3,787	3,787
Research	**2,722**	**2,722**	2,735	2,735
Other support	**2,271**	**2,271**	2,098	2,098
Admin and central services	**4,365**	**4,365**	3,683	3,683
Premises	**1,908**	**1,908**	1,729	1,729
Residences	**301**	**301**	176	176
Pension FRS 102 service charge (note 28)	**444**	**444**	3,150	3,150
Severance and redundancy costs	**66**	**66**	214	214
	27,751	**27,751**	27,792	27,786

The average number of staff employed by the School expressed as full-time equivalents was:	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated Nos	School Nos	Consolidated Nos	School Nos
Academic	**127**	**127**	126	126
Academic support	**89**	**89**	90	90
Research	**27**	**27**	32	32
Other support	**39**	**39**	39	39
Admin and central services	**52**	**52**	50	50
Premises	**60**	**60**	61	61
Residences	**5**	**5**	3	3
	399	**399**	401	401

Emoluments of Director	**Year ended 31 July 2023**	Year ended 31 July 2022
	Consolidated & School £000	Consolidated & School £000
Emoluments of Director		
Salary	**198**	155
Pension contributions	**45**	36
	243	191

The ratio of the remuneration of the Director to the median salary of a permanent staff member is 5.42:1 (2022: 5.80:1)

Compensation for loss of office payable to senior post holders	**Year ended 31 July 2023**		Year ended 31 July 2022	
	Consolidated & School		Consolidated & School	
	Number	£000	Number	£000
Payments in excess of £100k during the year	**-**	**-**	1	147

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the institution. Staff costs include compensation paid to key management personnel. GSA defines its key management personnel as being members of its Senior Leadership Group and staff governors. The key management personnel emoluments are made up as follows:

	Year ended 31 July 2023	Year ended 31 July 2022
	Consolidated & School £000	Consolidated & School £000
Salaries	**1,558**	1,573
Employer's National Insurance	**198**	209
Pension contributions	**366**	337
Total emoluments	**2,122**	2,119
	Number	Number
The number of directors receiving benefits under defined benefit schemes:	**5**	6

The emoluments of the key management personnel, excluding pension contributions, in the following ranges were:

	Year ended 31 July 2023	Year ended 31 July 2022
	Consolidated & School Number	Consolidated & School Number
£100,001 to £110,000	**-**	1
£110,001 to £120,000	**1**	-
£120,001 to £130,000	**-**	1
£130,001 to £140,000	**1**	-
£150,001 to £160,000	**-**	1
£190,001 to £200,000	**1**	-
	3	3

Governors' emoluments

Only the Chair of the Board of Governors and those GSA staff who serve as governors receive payment for their services. Those emoluments are made up as follows:

	Year ended 31 July 2023	Year ended 31 July 2022
	Consolidated & School	Consolidated & School
Emoluments of Chair	£000	£000
Salaries	**20**	17
Employer's National Insurance	**2**	1
Pension contributions	**-**	-
	22	18
Emoluments of Staff Governors		
Salaries	**406**	392
Employer's National Insurance	**51**	51
Pension contributions	**94**	89
	551	532
Total emoluments of Chair and Staff Governors		
Salaries	**426**	409
Employers National Insurance	**53**	52
Pension contributions	**94**	89
Total emoluments	**573**	550

8 Other operating expenses

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	School	Consolidated	School
	£000	£000	£000	£000
Academic and related expenditure	**2,441**	**2,441**	2,527	2,527
Administration and central services	**2,879**	**2,879**	2,443	2,443
Premises	**4,543**	**4,543**	3,871	3,871
Residences, catering and conferences	**2,027**	**2,027**	1,767	1,767
Development Trust expenditure	**-**	**-**	4	-
Research grants and contracts	**1,207**	**1,207**	871	871
Other expenses	**1,496**	**1,496**	1,178	1,255
	14,593	**14,593**	12,661	12,734
Mackintosh Building debris clearance and stabilisation work	**-**	**-**	72	72

9 Interest and other finance costs

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	School	Consolidated	School
	£000	£000	£000	£000
Mortgage and loan interest	**23**	**23**	99	99
Net charge on pension scheme (note 28)	**(216)**	**(216)**	342	342
	(193)	**(193)**	441	441

10 (Deficit)/surplus

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	School	Consolidated	School
The deficit is stated after charging for:	£000	£000	£000	£000
External auditor's remuneration: audit of the financial statements	**60**	**60**	46	46
External auditor's remuneration: subsidiaries	**3**	**-**	3	-
External auditor's remuneration: taxation compliance	**2**	**2**	4	4
External auditor's remuneration: other audit work	**5**	**5**	4	4
Internal auditor's remuneration in respect of audit services	**36**	**36**	37	37
Internal auditor's remuneration other services	**-**	**-**	-	-
Depreciation - owned assets	**2,576**	**2,576**	2,757	2,757
Operating leases - land and buildings	**2,242**	**2,242**	1,657	1,657

11 Taxation

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	School £000	Consolidated £000	School £000
Recognised in the statement of comprehensive income				
Current tax				
School	**-**	**-**	-	-
Tax re GSofA Singapore Pte Ltd	**-**	**-**	-	-
Total tax expense	**-**	**-**	-	-

No corporation tax was due on the activities of the School (2022: nil).

12 Fixed assets

Group and School	**Freehold Land and Buildings**	**Equipment and Fixtures & Fittings**	**Assets in the Course of Construction**	**Total**
Cost/valuation	£000	£000	£000	£000
At 1 August 2022	90,464	11,278	8,253	109,995
Additions	673	1,390	10,689	12,752
Disposals	-	(10)	-	(10)
At 31 July 2023	**91,137**	**12,658**	**18,942**	**122,737**
Consisting of valuation as at:				
1 July 1995	15,890	-	-	15,890
Cost	75,247	12,658	18,942	106,847
	91,137	**12,658**	**18,942**	**122,737**
Depreciation				
At 1 August 2022	23,022	8,365	-	31,387
Charge for the year	1,672	904	-	2,576
Disposals	-	(10)	-	(10)
At 31 July 2023	**24,694**	**9,259**	**-**	**33,953**
Net book value				
At 31 July 2023	**66,443**	**3,399**	**18,942**	**88,784**
At 31 July 2022	67,442	2,913	8,253	78,608

In May 2014 the School's Mackintosh Building was badly damaged by a major fire. A valuation of the building obtained after the fire valued the building considerably in excess of the depreciated figure used in the accounts. Accordingly, it was deemed that, in this circumstance, that it was satisfactory not to impair the Mackintosh Building. In June 2018 the Mackintosh Building suffered a second, more extensive, fire. Given the extent of the damage, the value of the building was fully impaired, leaving only the land value within total fixed assets. The costs incurred in 2018/19, 2019/20 2020/21 and 2021/22 in respect of stabilising the remaining structure and site clearance costs have been expensed.

The School's policy is that assets are retained at either their 1995 valuation or their historic cost for additions since that date. Land and Buildings were valued in 1995 by a firm of independent chartered surveyors on a depreciated replacement cost basis. All additions since that date have been included at historic cost and their value is deemed to be at least equal to the cost incurred.

Buildings with a net book value of £1,034,627 (2022: £1,169,679) have been funded from Treasury sources. Should these particular buildings be sold, the School would have to surrender the proceeds to the Treasury or use them in accordance with the Financial Memorandum with the Scottish Funding Council.

Valuation of Land & Buildings (Including Inherited Land & Buildings)	**As at 31 July 2023**	As at 31 July 2022
Land and buildings have been included at valuation with the following amounts:	£000	£000
Increase from valuation of inherited buildings	**3,346**	3,346
Increase from valuation of purchased buildings	**877**	877
Aggregate depreciation on revalued amount	**(2,662)**	(2,568)
Net book value	**1,561**	1,655

The inherited land and buildings concerned were all inherited prior to the 1995 valuation at nil cost. The net book value is £1,191,225 (2022/23: £1,265,478).

The revalued buildings were purchased prior to the revaluation in 1995.

13 Heritage assets

The heritage assets include the School's institutional archives dating back to 1845 along with archives from artists, societies and alumni associated with the School; and the museum collection includes the Charles Rennie Mackintosh Collection – a Recognised Collection of National Significance, and significant collections of artworks, textiles and silverware. It also includes the Library's rare and valuable books collection. The balance sheet valuation of the archives is based on their insurance value and that of the collection assets is based on an assessment of their commercial value. Additions to the collection are valued at the time of acquisition and individual collections are reviewed periodically to ensure the accuracy of the valuation. Further information about the School's collections is publicly available on the School's website.

The heritage assets held by Glasgow School of Art Development Trust were donated with the intention being that they will be sold to realise their value.

	2023	2022	2021	2020	2019
	£000	£000	£000	£000	£000
School					
Value of heritage assets acquired by donation, 1 August	**13,393**	13,411	13,205	12,719	12,719
Adjustments to valuation or cost	**387**	(18)	206	486	-
Balances as at 31 July	**13,780**	13,393	13,411	13,205	12,719
Glasgow School of Art Development Trust					
Value of heritage assets acquired by donation, 1 August	**143**	96	66	66	66
Adjustments to valuation or cost	**-**	47	30	-	-
Balances as at 31 July	**143**	143	96	66	66
Group Total	**13,923**	13,536	13,507	13,271	12,785

14 Endowments

Group and School	**2023** £000	2022 £000
At 1 August	**5,676**	5,263
Additions	**5,290**	875
Disposals	**(5,238)**	(834)
New endowments	**-**	471
Increase/(decrease) in cash balances held at fund managers	**(13)**	7
Appreciation of endowment asset investments in year	**(180)**	(106)
At 31 July	**5,535**	5,676

15 Non-current investments

The School's investment, at the balance sheet date, in the share capital of subsidiary companies comprises the following:

Company	Principal activity	Class of shares	Percentage owned
GSofA Singapore Ltd	The principal activity of GSofA Singapore is the provision of degree level education in Singapore. Following the cessation of trading, the company is currently undergoing liquidation.	Ordinary	100%
The Glasgow School of Art Development Trust	The principal activity of The Glasgow School of Art Development Trust, an unincorporated body, is to raise funds to support the strategic priorities of The Glasgow School of Art.	n/a	n/a

16 Stock

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	School £000	Consolidated £000	School £000
General consumables	**169**	**169**	129	129
	169	**169**	129	129

17 Trade and other receivables

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	School £000	Consolidated £000	School £000
Amounts falling due within one year:				
Trade debtors	**1,023**	**1,013**	290	281
Insurance debtor	**-**	**-**	5,000	5,000
Debts due from students	**333**	**333**	385	385
Amounts due from subsidiary companies	**-**	**795**	-	763
Prepayments and accrued income	**1,185**	**1,187**	1,240	1,239
	2,541	**3,328**	6,915	7,668
Amounts falling due in more than one year:				
Development funding debtor	**5,252**	**-**	5,252	-

18 Creditors: amounts falling due within one year

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	School £000	Consolidated £000	School £000
Trade creditors	**513**	**513**	167	167
Unsecured loan	**628**	**628**	628	628
Payments in advance	**3,126**	**3,126**	2,421	2,421
Deferred capital grants	**1,190**	**1,190**	1,190	1,190
Taxation and social security	**-**	**-**	7	7
Research contracts accrual	**1,246**	**1,246**	2,002	2,002
Accruals and deferred income	**4,101**	**4,081**	2,823	2,796
	10,804	**10,784**	9,238	9,211

19 Creditors: amounts falling due in more than one year

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	School £000	Consolidated £000	School £000
Unsecured loan	**8,716**	**8,716**	9,343	9,343
Deferred capital grants	**52,762**	**47,762**	53,953	48,953
	61,478	**56,478**	63,296	58,296
Analysis of secured and unsecured loans:				
Due within one year or on demand (note 18)	**628**	**628**	628	628
Due after more than one year				
Due between one and two years	**628**	**628**	628	628
Due between two and five years	**1,755**	**1,755**	1,883	1,883
Due in five years or more	**6,333**	**6,333**	6,832	6,832
	8,716	**8,716**	9,343	9,343
Total secured and unsecured loans	**9,344**	**9,344**	9,971	9,971
Secured loans	**-**	**-**	-	-
Unsecured loan	**9,344**	**9,344**	9,971	9,971
	9,344	**9,344**	9,971	9,971

Details of loans

Salix loan: An unsecured loan, repayable by bi-annual instalments until April 2027. This loan is a public benefit concessionary loan and is repayable with no interest charged over the duration of the loan.

SFC Financial Transactions: An unsecured loan, repayable in quarterly instalments. This loan, from the Scottish Funding Council under the Universities Financial Transactions Programme to fund the further development of the Stow Building, is repayable over 20 years with a fixed interest rate of 0.25%.

Deferred Capital Grants

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

	Funding Council £000	Other grants & benefactions £000	Total £000
Group			
As at 1 August 2022			
Buildings	54,761	182	54,943
Equipment	200	-	200
	54,961	182	55,143
Released to Income and Expenditure			
Buildings	(1,059)	(32)	(1,091)
Equipment	(100)	-	(100)
	(1,159)	(32)	(1,191)
As at 31 July 2023			
Buildings	**53,702**	**150**	**53,852**
Equipment	**100**	**-**	**100**
	53,802	**150**	**53,952**
School			
As at 1 August 2022			
Buildings	44,761	5,182	49,943
Equipment	200	-	200
	44,961	5,182	50,143
Released to Income and Expenditure			
Buildings	(1,059)	(32)	(1,091)
Equipment	(100)	-	(100)
	(1,159)	(32)	(1,191)
As at 31 July 2023			
Buildings	**43,702**	**5,150**	**48,852**
Equipment	**100**	**-**	**100**
	43,802	**5,150**	**48,952**

Expected release of Deferred Capital Grants:

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	School £000	Consolidated £000	School £000
Expected within one year or on demand	**1,190**	**1,190**	1,190	1,190
Expected between one and two years	**2,165**	**2,165**	1,190	1,190
Expected between two and five years	**6,440**	**6,440**	3,570	3,570
Expected in five years or more	**44,157**	**39,157**	49,193	44,193
	53,952	**48,952**	55,143	50,143

20 Pension provisions and assets

Group and School	**Pension on termination[1]** £000	**Defined benefit obligation[2] (note 28)** £000	**Total Pension Provisions** £000
At 1 August 2022	735	(6,370)	(5,635)
Income and expenditure movement	(69)	228	159
Actuarial gain	-	(11,303)	(11,303)
Provision/(asset) at 31 July 2023	**666**	**(17,445)**	**(16,779)**

[1] The provision for past service pensions relates to unfunded enhanced early retirals given in prior years. The provision was calculated by a firm of actuaries in July 2021 and this valuation was amended for movements in the current and prior year.

[2] The actuarial review of GSA’s participation in the Strathclyde Pension Fund at 31 July 2022, for accounting purposes, signalled a change from a net liability to a net asset, a situation that prevailed into the current year.

21 Endowment reserves

Group and School	Restricted permanent endowments £000	Expendable endowments £000	2023 TOTAL £000	2022 TOTAL £000
Balances at 1 August				
Capital	4,786	371	**5,157**	5,308
Accumulated income	519	-	**519**	(45)
	5,305	371	**5,676**	5,263
Investment income	296	-	**296**	824
Expenditure	(257)	-	**(257)**	(305)
Increase/(decrease) in market value of investments	(180)	-	**(180)**	(106)
Total endowment comprehensive income for the year	(141)	-	**(141)**	413
At 31 July	**5,164**	**371**	**5,535**	5,676
Represented by:				
Capital	5,125	371	**5,496**	5,157
Accumulated income	39	-	**39**	519
	5,164	**371**	**5,535**	5,676
Analysis by type of purpose:				
Prize funds	5,164	-	**5,164**	5,305
General	-	371	**371**	371
	5,164	**371**	**5,535**	5,676
Analysis by asset:				
Current and non-current asset investments			**4,452**	4,580
Cash & cash equivalents			**1,083**	1,096
			5,535	5,676

Restricted permanent endowments are where the donor has specified the fund is to be permanently invested to generate an income stream to be applied to a particular objective. Expendable endowments are where the School is free to convert the capital to income and apply it to an appropriate objective as it sees fit.

22a Restricted reserves

Reserves with restrictions are as follows:	**Year ended 31 July 2023**		Year ended 31 July 2022	
	Consolidated £000	School £000	Consolidated £000	School £000
Campus redevelopment reserve				
Balances at 1 August	**8,366**	**7,910**	8,365	7,910
Income	**1**	**-**	5	-
Expenditure	**-**	**-**	(4)	-
Total restricted comprehensive income for the year	**1**	**-**	1	-
At 31 July	**8,367**	**7,910**	8,366	7,910
Analysis of other restricted funds/donations by type of purpose				
Campus redevelopment (including Mackintosh restoration)	**8,367**	**7,910**	8,366	7,910

22b Income and expenditure reserve

This reserve includes all current and prior year retained surpluses or deficits.

22c Revaluation reserve

The revaluation reserve consists of unrealised gains in respect of investments and the revaluation of properties.

23 Cash and cash equivalents

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	School £000	Consolidated £000	School £000
Balance at 1 August	**22,155**	**19,983**	31,146	29,300
Cash flow, in year	**(3,592)**	**(3,579)**	(8,991)	(9,317)
Balance at 31 July	**18,563**	**16,404**	22,155	19,983

24 Consolidated reconciliation of net debt

	2023 £000
Net debt 1 August	**(12,184)**
Decrease in cash and cash equivalents	**3,592**
Repayment of borrowings	**(627)**
Net debt 31 July	**(9,219)**
Change in net debt	**2,965**

Analysis of net debt	**2023** £000	2022 £000
Cash and Cash equivalents	**18,563**	22,155
Borrowings: amounts falling due within one year		
Secured loans	**-**	-
Unsecured loans	**628**	628
	628	628
Borrowings: amounts falling due after more than one year		
Unsecured loans	**8,716**	9,343
	8,716	9,343
Net debt/(positive net cash position)	**(9,219)**	(12,184)

25 Lease obligations

Total rentals payable under operating leases:	**Year ended 31 July 2023**		Year ended 31 July 2022	
	Consolidated £000	School £000	Consolidated £000	School £000
Future minimum lease payments due:				
Not later than 1 year	**1,958**	**1,958**	1,606	1,606
Later than 1 year and not later than 5 years	**6,071**	**6,071**	5,569	5,569
Later than 5 years	**10,631**	**10,631**	11,597	11,597
Total lease payments due	**18,660**	**18,660**	18,772	18,772

All lease obligations at the current and prior year ends relate to land and buildings.

26 Subsidiary and Joint Venture undertaking

GSofA Singapore pte Ltd

The school has a wholly owned subsidiary incorporated in Singapore. The School owns 100% of the share capital being 1SGD. Its financial results have been consolidated into the accounts for the year to 31 July 2023.

The transactions between GSA and GSofA Singapore related to management costs paid from GSofA Singapore to GSA of £18,662 (2022: £488,642). As at 31 July 2023, a debtor of £763k (2022: £745k) is outstanding at the year end.

With the graduation of the final cohort of students from the academic programmes that we ran in Singapore, the company ceased operations on 31 July 2021. At 31 July 2023, the company holds net assets of £1.3m. The intention remains to dissolve the company. No dividend has been declared by GSofA Singapore Pte Ltd in the current year (2022: £nil).

Glasgow School of Art Development Trust

This was established, as an unincorporated body, in 2010 to support the major capital priorities of The Glasgow School of Art. Following the 2014 fire in the Mackintosh Building the Trust delivered the Mackintosh Campus Appeal to support the School to recover from the consequences of the fire. It is an independent charitable trust governed by a deed of trust and is registered with OSCR.

Its financial results have been consolidated into the accounts for the year to 31 July 2023.

During the year no funds were donated by The Glasgow School of Art Development Trust to GSA.

The audit fee £3,600 (2022: £3,720) is paid on behalf of The Glasgow School of Art Development Trust by GSA.

27 Related party transactions

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

The Board of Governors consider the relationship that the School has with GSA Students Association (GSASA) to have the characteristics of related parties under the Financial Reporting Standard (FRS) 102:

- Grants paid to GSASA in 2022/23 totalled £249,000 (2021/22 £234,000).
- The balance owed to GSA at the year end, and included in debtors, is £12,340 (2022: £12,340).

28 Pension schemes

The School's employees belong to two principal pension schemes: the Scottish Teachers' Pension Scheme (STPS) and a Local Government Pension Scheme administered by the Strathclyde Pension Fund (SPF) which are of the defined benefit type. The cash cost of the SPF scheme was £2,185,000 for the Group and School (2022/23: £1,767,000) and the cost of the STPS was £2,027,000 for the Group and School (2022/23: £1,805,000). Other pension costs totalled £52,000 for the Group and School (2022/23: £50,000).

a. Strathclyde Pension Fund (SPF)

The Strathclyde Pension Fund provides benefits on final pensionable salary for employees of local government and some other institutions. This scheme, a multi-employer defined benefits scheme, covers both past and present employees. An FRS102 valuation of the School's benefit obligations has been estimated by a qualified independent actuary and the assumptions are as at 31 July 2023. That valuation identified that the closing fair value of the schemes assets exceeded the closing defined benefit obligations, resulting in a defined benefit plan surplus. Such a surplus can be recognised to the extent that the School can recover the surplus through refunds from the plan or reductions in future contributions. The actuary has calculated an asset ceiling which is in excess of the pension surplus and therefore there has been no restriction in the surplus.

The employer contribution rate for the period from 1 August 2022 to 31 March 2023 was 24.1% of pay; rising to 25.9% for the period 1 April 2023 to 31 July 2023. The employee contribution rate was variable during 2022/23 depending upon the individual level of remuneration. The range was from 5.5% to 10.4%. There were no outstanding pension contributions at the year end. Principal actuarial assumptions (expressed as weighted averages) at the end of the year were as follows:

Financial assumptions	**2023**	2022
Pension increase	**3.00%**	2.75%
Salary increase rate	**3.70%**	3.45%
Discount rate	**5.05%**	3.50%

Mortality assumptions

The average future life expectancies at age 65 used to determine benefit obligations are as follows:	**Male**	**Female**
Current pensioners	19.1 years	19.6 years
Future pensioners	20.3 years	21.0 years

Fair value of the plan assets and the return on those assets were as follows:	2023 £000	2022 £000
Equities	**37,511**	35,450
Bonds	**16,603**	15,953
Property	**6,149**	6,499
Cash	**1,230**	1,182
	61,493	59,084

Analysis of the amount shown in the balance sheet	2023 £000	2022 £000
Fair value of plan assets	**61,493**	59,084
Present value of funded benefit obligations	**(44,048)**	(52,714)
Pension asset/(liability)	**17,445**	6,370

Analysis of the amounts charged to Profit & Loss	2023 £000	2022 £000
Service costs	**2,586**	4,917
Past service costs	**-**	-
Employer contributions	**(2,142)**	(1,767)
	444	3,150
Interest income on plan assets	**(2,093)**	(926)
Interest cost on defined benefit obligation	**1,877**	1,268
Net interest cost	**(216)**	342
Net charge on pension liability to SOCI	**228**	3,492
Actual return less expected return on pension scheme assets	**(1,186)**	(343)
Experience gains and losses arising on the scheme liabilities	**(3,012)**	(146)
Changes in financial assumptions underlying the present value of the scheme liabilities	**15,501**	30,193
Actuarial gain recognised in Other Comprehensive Income	**11,303**	29,704

Analysis of movements in present value of the scheme liabilities	2023 £000	2022 £000
Opening defined benefit obligation	**52,714**	77,174
Current service cost	**2,586**	4,917
Past service cost	**-**	-
Interest cost	**1,877**	1,268
Contribution by members	**566**	528
Actuarial gains	**(15,501)**	(30,193)
Experience gains and losses	**3,012**	146
Benefits paid	**(1,206)**	(1,126)
Closing defined benefit obligation	**44,048**	52,714

Analysis of movements in fair value of the scheme assets	2023 £000	2022 £000
Opening fair value of employer assets	**59,084**	**57,332**
Expected return on assets	**2,093**	**926**
Contributions by members	**566**	**528**
Contribution by employer	**2,142**	**1,767**
Actuarial (losses)/gains	**(1,186)**	**(343)**
Benefits paid	**(1,206)**	**(1,126)**
Closing fair value of employer assets	**61,493**	**59,084**

The School expects to contribute approximately £1,702k to the Strathclyde Pension Fund in the next year. The cumulative actuarial gain at 31 July 2023 was £24,045k (2020/21: loss of £5,659k).

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

Change in assumptions at 31 July 2023	**Approximate % increase to Defined Benefit Obligation**	**Approximate monetary amount (£000)**
0.1% decrease in Real Discount Rate	2%	959
1 year increase in member life expectancy	4%	1,762
0.1% increase in the Salary Increase Rate	0%	103
0.1% increase in the Pension Increase Rate	2%	872

b. Scottish Teachers' Superannuation Scheme

Glasgow School of Art participates in the Scottish Teachers' Superannuation Scheme The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2016. This valuation informed an increase in the employer contribution rate from 17.2% to 23.0% of pensionable pay from September 2019 and an anticipated yield of 9.4% employees' contributions

Glasgow School of Art has no liability for other employers' obligations to the multi-employer scheme.

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

The scheme is an unfunded multi-employer defined benefit scheme.

It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the (name of body) is unable to identify its share of the underlying assets and liabilities of the scheme.

The employer contribution rate for the period from 1 August 2022 is 23% of pensionable pay. The employee rate applied is variable and is anticipated to provide a yield of 9.4% of pensionable pay.

While a valuation was carried out as at 31 March 2016, it is not possible to say what deficit or surplus may affect future contributions. Work on the valuation was suspended by the UK Government pending the decision from the Court of Appeal (McCloud (Judiciary scheme)/Sargeant (Firefighters' Scheme) cases) that held that the transitional protections provided as part of the 2015 reforms was unlawfully discriminated on the grounds of age. Following consultation and an announcement in February 2021 on proposals to remedy the discrimination, the UK Government confirmed that the cost control element of the 2016 valuations could be completed. The UK Government has also asked the Government Actuary to review whether, and to what extent, the cost control mechanism is meeting its original objectives. The 2020 actuarial valuations will take the report's findings into account. The interim report is complete (restricted) and is currently being finalised with a consultation. Alongside these announcements, the UK Government confirmed that current employer contribution rates would stay in force until 1 April 2024.

Glasgow School of Art's level of participation in the scheme was 0.3% based on its 2022/23 cost as a proportion of employer contributions.

29 Bursary and Other Student Support Funds

	Undergraduate discretionary fund £000	**Postgraduate discretionary fund** **£000**	**Childcare fund** **£000**	**International student fund** £000	**2023 Total** £000	**2022 Total** £000
Balance brought forward at 1 August	-	-	-	-	-	-
Funds available in year	117	16	3	13	149	297
Expenditure in year	(117)	(16)	(3)		(136)	(297)
Balance carried forward at 31 July	-	-	-	**13**	**13**	-

30 Capital commitments

At 31 July 2023 there were capital commitments of £7,984,000 (2022: £780,000).

31 Contingent asset

At the time of the fire in June 2018, the Mackintosh Building was covered by an owner-controlled insurance program, designed to coordinate general liability coverage for all eligible parties working on the construction project.

That insurance comprises two elements, covering the contract works and the pre-existing structure. Interim payments made by the insurers in relation to the contract works have been recognised as income in the periods in which they were received. The value and method of receipt of sums relating to the existing structure have still to be agreed, so represent a contingent asset.

The fire also caused consequential damage to the Reid, Bourdon and Assembly Buildings, in the intervening period, the amount of the insurance claim and the timing of its receipt remained uncertain, and so was disclosed as a contingent asset. During this year, that insurance claim reached a final settlement, so is no longer considered to be a. contingent asset.

32 US Department of Education - Financial Responsibility Supplemental Schedule

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

The amounts presented within the schedules have been:

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

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

The aim of the schedules is to support GSA in meeting the requirements of the US Department of Education's Federal Loan scheme, and not the requirements of the SORP; the schedule does not form part of the SORP; and the schedules have not been considered nor reviewed by the Financial Reporting Council.

Primary Reserve ratio

Lines					Year ended 31 July 2023 £GBP	Year ended 31 July 2022 £GBP
		Expendable Net Assets:				
24	Statement of Financial Position - Net assets without donor restriction	Net assets without donor restrictions	Note22b and 22c	Page 45	£65,362,000	£51,330,000
30	Statement of Financial position - Net assets with donor restrictions	Net assets with donor restrictions	Note21 and 22a	Page 45	£13,902,000	£14,042,000
4	Statement of Financial Position - Related party receivable and Related party note disclosure*	Secured and Unsecured related party receivable				
4	Statement of Financial Position - Related party receivable and Related party note disclosure*	Unsecured related party receivable			£0	£0
8	Statement of Financial Position - Property, Plant and Equipment, Net*	Property, Plant and Equipment, net (includes construction in progress)	Note 12	Page 56	£88,784,000	£78,608,000
FS Note line 8A	Note of the Financial Statements – Statement of Financial Position - Property, Plant and Equipment, net – pre-implementation	Property, Plant and Equipment, net – pre-implementation	Note 12	Page 56	£65,351,000	£68,244,000
FS Note line 8B	Note of the Financial Statements - Statement of Financial Position- Property, Plant and Equipment, net post-implementation with outstanding debt for original purchase*	Property, Plant and Equipment, net – post-implementation less any construction in progress with outstanding debt for original purchase with debt*			£0	£0
FS Note line 8 D	Note of the Financial Statements - Statement of Financial Position- Property, Plant and Equipment, net post-implementation without outstanding debt for original purchase*	Property, Plant and Equipment, net – post-implementation less any construction in progress with outstanding debt for original purchase without debt*	Note 12	Page 56	£4,491,000	£2,111,000
FS Note line 8 C	Note of the Financial Statements – Statement Of Financial Position- Property, Plant and Equipment, Construction in progress	Construction in progress	Note 12	Page 56	£18,942,000	£8,253,000
9	Statement of Financial Position – Lease right-of-use asset*	Lease right-of-use asset*			£0	£0
Excluded 9 Note leases	Note of Financial Statements - Statement of Financial Position – Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation			£0	£0
M9 Note Leases	Note of Financial Statements - Statement of Financial Position – Lease right-of-use asset post-implementation	Lease right-of-use asset post-implementation			£0	£0
10	Statement of Financial Position – Goodwill*	Intangible Assets			£0	£0
17	Statement of Financial Position – Post-employment and pension liability*	Post-employment and defined pension plan liabilities	Notes 18,19&20	Page 58 - 60	(£16,780,000)	(£5,635,000)
14,20,22	Statement of Financial Position – Notes payable and Line of Credit (both current and long-term) and Line of Credit for Construction in process*	Long term debt- for long-term purposes	Note 19	Page 59	£9,344,000	£9,971,000
M24,20,22 Note Debt A	Statement of Financial Position – Notes payable and Line of Credit (both current and long-term) and Line of Credit for Construction in process*	Long term debt- for long-term purposes pre-implementation			£0	£0
M24,20,22 Note Debt B	Statement of Financial Position – Notes payable and Line of Credit (both current and long-term) for purchase of Property, Plant and Equipment	Long-term debt for long-term purposes post implementation	Note 19	Page 59	£9,344,000	£9,971,000
M24,20,22 Note Debt C	Statement of Financial Position – Notes payable and Line of Credit (both current and long-term) and Line of Credit for Construction in progress	Line of Credit for Construction in process			£0	£0
21	Statement of Financial Position- Lease right –of-use assets liability(both current and long term)*	Lease right-of-use liability			£0	£0
Excluded Line 21 Note Leases	Statement of Financial Position- Lease right –of-use assets liability pre-implementation	Pre-implementation right-of-use leases			£0	£0
Line 21 Note Leases	Statement of Financial Position- Lease right –of-use assets liability post-implementation	Post-implementation right-of-use leases			£0	£0
25	Statement Of Financial Position - Annuities	Annuities with donor restrictions			£0	
26	Statement Of Financial Position - Term Endowments	Term endowments with donor restrictions			£0	
27	Statement Of Financial Position - Life Income Funds	Life income funds with donor restrictions			£0	
29	Statement Of Financial Position - Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity			£0	
		Total Expenses and Losses	Note 7,8,9,12&13	Page 43	£45,074,000	£43,879,000
43	Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions - taken directly form the Statement of Activities	Note 7,8,9,&12	Page 43	£44,727,000	£43,723,000
(35), 45,46,47,48,49	Statement of Activities -Non Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension related changes other than net periodic pension, Change in value of split interest agreements and Other gains (loss) (Total from Statement of Activities prior to adjustments)	Non Operating and Net Investment (loss)	Note 13	Page 43	£347,000	£156,000
(35), 45	Statement of Activities -Non Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss)	Net Investment losses			£0	£0
47	Statement of Activities - Pension related charges other than periodic pension	Pension related charges other than periodic pension			£0	£0

Equity ratio

Lines

					Year ended 31 July 2023 £GBP	Year ended 31 July 2022 £GBP
		Modified Net Assets				
24	Statement of Financial Position - Net assets without donor restriction	Net assets without donor restrictions	Note 22b and 22c	Page 45	£65,362,000	£51,330,000
30	Statement of Financial position - Net assets with donor restrictions	Net assets with donor restrictions	Note 21 and 22a	Page 45	£13,902,000	£14,042,000
10	Statement of Financial Position – Goodwill*	Intangible Assets			£0	£0
4	Statement of Financial Position - Related party receivable and Related party note disclosure*	Secured and Unsecured related party receivable			£0	£0
4	Statement of Financial Position - Related party receivable and Related party note disclosure*	Unsecured related party receivable			£0	£0
		Modified Assets:				
12	Statement of Financial Position - Total assets	Total assets	Note 12,13,14,16,17&23	Page 45	£134,766,000	£132,271,000
Excluded 9 Note leases	Note of Financial Statements - Statement of Financial Position – Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation			£0	£0
Excluded Line 21 Note Leases	Statement of Financial Position- Lease right –of-use assets liability pre-implementation	Pre-implementation right-of-use leases			£0	
10	Statement of Financial Position – Goodwill*	Intangible Assets			£0	
4	Statement of Financial Position - Related party receivable and Related party note disclosure*	Secured and Unsecured related party receivable			£0	
4	Statement of Financial Position - Related party receivable and Related party note disclosure*	Unsecured related party receivable			£0	

Net Income ratio

Lines

					Year ended 31 July 2023 £GBP	Year ended 31 July 2022 £GBP
51	Statement of Activities - Change in Net assets Without Donor Restrictions	Change in Net Assets Without Donor Restrictions	Surplus/ (deficit) plus Note 13&28	Page 45	£14,033,000	£30,472,000
	Statement of Activities - (Net assets released form restriction),Total Operating Revenue and Other Additions and Sale of Fixed Assets gains (losses)	Total Revenue and Gains	Note 6	Page 45	£47,110,000	£44,335,000