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## Edinburgh Napier University

### General Information

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Chancellor	David Eustace BA DArt (to 31 July 2021) Will Whitehorn MA FRAeS FCILT FMS (from 1 August 2021)
Chair of Court	June Boyle MCIPD FCIBS ICF-PCC
Principal and Vice-Chancellor	Professor Andrea M Nolan OBE MVB FRCVS DVA PhD DipIECVA DipECVPT
Secretary	David Cloy MA (Hons) DipAA (to 31 July 2021) Michael Greenhalgh BSc (from 1 August 2021)
Director of Finance	Andy McGoff MA (Hons) CA
External Auditor	KPMG LLP 319 St Vincent St Glasgow G2 5AS
Internal Auditor	Ernst & Young LLP 5 George Square Glasgow G2 1DY
Banker	Royal Bank of Scotland plc 206 Bruntsfield Place Edinburgh EH10 4DF
Solicitor	Anderson Strathern LLP 1 Rutland Court Edinburgh EH3 8EY
Actuary	Mercer Limited G1 Building 5 George Square Glasgow G2 1AR

## Edinburgh Napier University

### Court Membership

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The following persons served as members of Court during the year to 31 July 2021, and up to the date of approval of these Financial Statements. In the case of those who became or ceased to be members during the year, the appropriate dates are shown.

<b>Court Member</b>	<b>Date of Appointment</b>	<b>Date of Retirement</b>	<b>Category</b>
Mr R Adams			Non-Executive
Prof N Antonopoulos	14 December 2020		Vice-Principal
Ms J Boyle			Non-Executive
Mr S Brannan			Non-Executive
Rt Hon Lord Brodie			Non-Executive
Mr J Chittleburgh			Non-Executive
Prof S Cross	1 December 2020		Non-Executive
Mr G Cullen			Staff
Mr A Duggal	1 September 2020	31 July 2021	Student
Ms E Divine	1 September 2021		Student
Ms H Fyfe	1 September 2020		Student
Mr C Guest		26 April 2021	Non-Executive
Mr A Houghton	1 February 2020		Non-Executive
Mr C Ibanez			Staff
Ms S Jiwa		31 July 2021	Non-Executive
Ms D Mohan	1 December 2020		Non-Executive
Dr S Moir			Non-Executive
Ms J Morrison-Ross	1 December 2020	2 September 2021	Non-Executive
Ms S Nairn	1 October 2020		Staff
Prof A Nolan			Principal & Vice-Chancellor
Dr H Patrick			Staff
Ms G Scholefield			Non-Executive
Prof A Scullion			Non-Executive
Mr M Thomson	1 August 2020	1 November 2021	Staff
Mr R Tomlinson	1 June 2021		Non-Executive
Mr N Woodcock			Non-Executive
Prof L Yellowlees			Non-Executive

## Edinburgh Napier University Court Membership

The following persons who served as members of Court during the year to 31 July 2021, are shown below with their attendance records at relevant Committees.

Court Member	Court	Audit & Risk	Finance & Property	Nominations	Remuneration
R Adams	80%		86%		
N Antonopoulos	60%		100%		
J Boyle	100%		100%	100%	100%
S Brannan	60%		86%		
P Brodie	100%				
J Chittleburgh	100%	100%			
S Cross	100%	67%			
G Cullen	80%				
A Duggal	100%			50%	100%
H Fyfe	60%				
C Guest	100%		83%		
A Houghton	100%		50%*		
C Ibanez	80%				
S Jiwa	100%			100%	
D Mohan	50%				
S Moir	80%		57%		100%
J Morrison-Ross	50%		0%		
S Nairn	100%				
A Nolan	80%	100%	86%	100%	100%
H Patrick	100%				100%
G Scholefield	80%	100%	50%*		100%
A Scullion	100%	100%		50%	
M Thomson	20%			0%	100%
R Tomlinson	100%				
N Woodcock	80%	100%	86%		100%
L Yellowlees	100%				100%

\* in attendance at Finance & Property Committee on a temporary basis for additional Covid planning and response oversight

### University Leadership Team

Professor Andrea Nolan	Principal & Vice-Chancellor
Professor Alyson Tobin (until 30 September 2021)	Vice-Principal of Learning and Teaching
Professor Nazira Karodia (from 1 September 2021)	Vice-Principal of Learning and Teaching
Andy McGoff	Director of Finance and Operations
Kerry Dewar (until 28 February 2021)	Director of People and Services
Carolann Begbie (from 1 November 2021)	Director of People and Services
Geoff Day (4 February 2021 to 31 October 2021)	Interim Director of People and Services
Professor Nick Antonopoulos	Vice-Principal of Research and Innovation
Naomi Graham	Vice-Principal, International
Michael Greenhalgh (from 1 August 2021)	Director of Strategy and Planning

This year has been a time of uncertainty, great change and adaptation for the University, its students, staff, and stakeholders. The impacts of the COVID-19 pandemic continued to be profound and disrupted our students' learning as well as our research and innovation activities.

In the face of significant challenges, we responded nimbly to changing public health measures while placing the safety of our students and staff at the centre of our decision making as we continued to deliver on our mission. As the rollout of the vaccination programme has progressed, we have seen reassuring improvements in the last few months of this financial year, however we remain cautious as we approach winter, which may bring further challenges.

I am truly proud of the staff who went 'above and beyond' to provide education, support our students, undertake research to create new knowledge, and support businesses through this most challenging of times. I am also inspired by the hard work and effort that our students have put into continuing and completing their studies, showing real grit and resilience.

Indeed, as this financial year ends, there are many high notes for the University to celebrate. Our continued prudent financial management during the pandemic means we have further consolidated our position so that we are able to invest in the resources required to implement our new strategy, deliver an excellent student experience, and enhance our campus and facilities.

We retained our position as number one in the Edinburgh region for student satisfaction in the National Student Survey (NSS), moving up to equal 6<sup>th</sup> in Scotland and 21<sup>st</sup> in the UK. We will keep working hard to ensure that students regard Edinburgh Napier as a hallmark of the highest quality in education and excellent support through implementation of our Gold Standard Curriculum framework and Learning & Teaching Strategy.

We provided additional practical support for our students throughout the year, for example through hardship funds boosted by significant contributions from our fantastic alumni community, and accessibility to laptops, especially for those experiencing digital poverty.

I am also particularly appreciative of the efforts of staff supporting students in our residences, especially those quarantining, self-isolating and staying with us in difficult conditions over the Christmas period.

We stepped up the support mechanisms for our newest and recent graduates, recognising the challenges for them in the labour market this year. We provided them with access to 'Graduate Plus' – which provides free and flexible access to a range of digital support resources, recruitment advice and support, as well as access to incubator facilities to assist many to set up businesses.

We continued to conduct high quality research resulting in outcomes that are addressing real-life issues and adding value to communities. We launched our new Research & Innovation Strategy, aimed at fostering a sustainable, interdisciplinary and inclusive research environment that delivers societal, economic and environmental impact.

In our recent submission to the Research Excellence Framework, we increased the breadth of our research, advanced the number of staff involved in research and provided outputs that demonstrate excellence in significance, rigour, and originality. Innovation and enterprise are reflected in the establishment of an Innovation Hub, and our Bright Red Triangle team have provided support to 71 start-up companies and early entrepreneurs.

This year's international activities have been characterised by uncertain student demand for international education as well as complex logistics for travel due to the pandemic. However, despite these challenges, we exceeded international student recruitment targets for the year. There was also continued growth in demand for our online provision reflecting the increased interest in this mode of delivery during the pandemic.

We continued to climb in key national and international rankings. The University is now ranked 57<sup>th</sup> in the UK by the Times Good University Guide - the highest placed Scottish modern university and in the top 10 modern universities in the UK. We were also ranked in the 500-600 top world universities by the Times Higher Education World University Rankings 2022, moving up from 600-800 in 2020 and 800-1000 in 2019.

We have reduced our carbon emissions significantly, thus sustaining our decrease over the last 15 years. However, with all eyes on the COP26 conference in Glasgow, it is clear that the climate crisis will require more focus, and urgent and sustained action.

Looking forward as society and the economy re-opens gradually, we are considering how to capitalise on the lessons learned to change and improve our ways of working, teaching and supporting learning. We also recognise that the pandemic has had significant impacts on physical and mental health and wellbeing. Working in partnership with our Student Association, our counselling and mental wellbeing services have

been actively working together to promote the importance of mental health by challenging stigma and raising awareness of mental wellbeing and thus promoting an open and inclusive University community.

It has been a remarkable year; our community has coped and delivered beyond what could have been expected under the most challenging of circumstances. As we look ahead, I am confident of our ability to shape the post pandemic recovery for a more inclusive, greener, healthier and fairer society through our teaching, research and partnership working.



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

Shaping our  
**FUTURE**

**OUR STRATEGY: DRIVING DISTINCTIVENESS**



**OUR PURPOSE IS TO...**

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

**OUR STRATEGIC OBJECTIVES ARE TO...**

**BUILD CAREERS**  
Create Opportunities

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

**GROW NETWORKS**  
Connect Communities

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

**ADVANCE KNOWLEDGE**  
Deliver Impact

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

**While being committed to GROWING SUSTAINABLY by...**

Growing and diversifying our income and taking progressive action to achieve net zero carbon in our operations by 2030 at the latest. We will also seek to minimise both our wider and legacy carbon footprint and influence sustainable practices within and beyond our campuses

Edinburgh Napier  
UNIVERSITY

**AS A RESULT OF DELIVERING OUR STRATEGY...**

**OUR STUDENTS WILL...**

Feel part of a diverse, accessible and inclusive academic community, which integrates leading advances in professional, vocational, and academic practices, encouraged to make a difference during their studies, while becoming equipped and connected for their future careers

**OUR STAFF WILL...**

Have fulfilling careers and feel part of a collaborative, supportive, outward looking and externally connected community - creating, sharing and applying knowledge to positively impact individuals and society through teaching, research, enterprise and practice

**OUR PARTNERS WILL...**

Recognise us as accessible, inclusive, trusted and purposeful collaborators that they both value and feel valued by, and seek as a partner of choice for mutual future benefit and impact

## The University

The University Court was established under The Further and Higher Education (Scotland) Act 1992 for the purpose of governing Edinburgh Napier University. The University is an exempt charity for the purposes of the Charities and Trustee Investment (Scotland) Act 2005 (No.SC018373). The University Court considers that the University meets the 'Charity Test' set out in Section 7 of the Charities and Trustee Investment (Scotland) Act 2005. It will take such actions as are necessary to ensure continued full compliance with the legislation and retention of charitable status. A copy of these Financial Statements can be obtained from the principal address of the University, which is 219 Colinton Road, Edinburgh, EH14 1DJ.

## Shaping our Future: *Driving Distinctiveness*

Our new strategy, *Shaping Our Future: Driving Distinctiveness*, was developed through a structured, people-centred approach with comprehensive staff engagement, and in March 2020 it was agreed by University Court.

Our strategy has been drawn from a deep understanding of who we are, where we are and what we stand for, and through it we will continue to build on the foundations and progress achieved through Strategy 2020. Incorporating three new strategic objectives focused on building careers, growing networks, and advancing knowledge, and underpinned by a commitment to sustainability, it outlines the areas where we'll sharpen our focus and increase our emphasis, while continuing to deliver our core activities and remain responsive to a rapidly changing world. When we consider our purpose, it is clear this strategy and its themes are as important as ever as we play our part in the post-pandemic recovery and deal with the significant challenges facing our local, national and international communities.

Delivery of our strategy is supported by periodic review and renewal of a risk register, owned, and monitored by Court. Key developments during 2020/21, reflected in our risk register, have included management of the significant disruption of the COVID-19 pandemic and associated policy implications, Brexit impacts and the highly competitive market conditions for the recruitment of international students.

## Operational Review

The focus of our Annual Plan 2020/21 was directed towards driving distinctiveness aligned to our initial set of nine transformational actions as set out in our strategy, while continuing to adapt our delivery and respond to the impacts of the pandemic and ongoing uncertainty.

Following on from the initial challenges of 2019/20, a core team from across the University came together, on a daily basis, to coordinate the response and adapt to the impact of COVID-19 and government regulations and guidance as regulations changed throughout the year.

## Campus Operations

Whilst our student residences remained open and were supported by staff throughout the early part of the pandemic, our campuses were re-opened in August 2020 on a phased basis with colleagues working hard to adapt and prepare for the safe return of students and staff. Campus operations were heavily restricted, and the range of health protection measures implemented were well communicated. We established a temporary Covid Health Helpline to support initial staff and student queries, a QR code scan in system was rapidly developed and installed to monitor access and campus footfall, and class attendance monitoring was enabled electronically.

There was an outbreak of positive cases (117) in student residences at the start of Trimester 1, with up to 390 students being supported to self-isolate at the peak, although the infection rate dropped rapidly. We collaborated with the University of Edinburgh to set up an Asymptomatic COVID-19 testing facility in November 2020, which remained in operation until June 2021. Our student nurses provided a valuable staffing resource for the centre. We continue to host a symptomatic test site on our Craiglockhart campus.

The majority of our students received some face-to-face teaching in Trimester 1, with priority given to those newly joined. Given the severe restrictions on capacity, this was enabled by securing additional external space including at the EICC and Murrayfield Stadium. Our agile approach to coordination was critical with the unexpected post-Christmas lockdown; we took an early decision to move the vast majority of teaching and learning



online for Trimester 2, with the exception of essential in-person classes. The Trimester 2 mitigations of 2m social distancing and number caps remained in place throughout Trimester 3, with students being brought on to campus for essential practical activities and workshops only, although retaining access to other critical on-campus services. Easing of restrictions meant we were permitted to resume previously paused face-to-face research involving human participants while retaining mitigations such as face-coverings, social distancing, hygiene stations and capped numbers, which ensure we remained above and beyond government guidelines.

Throughout the academic year most staff continued working from home, other than those providing important on-campus/residence services such as wellbeing and security, or to support essential teaching and research. With the shift to Beyond Level 0, a phased return of certain services was also able to take place over the summer months. This was accompanied by a focus on preparing the rest of the staff body to gradually transition to on-campus working, based on business need, supported by updated guidance and a series of line-manger briefings.

We spent a great deal of effort on communicating regular updates to staff and students throughout the pandemic, ranging from weekly staff bulletins, regular video messages and Q&A sessions, student newsletters and social media posts - all supported by an abundance of information and guidance on our staff intranet and myNapier. We also provided practical support to our students for example through student hardship funding and a range of pathways to access laptops, especially for those experiencing digital poverty. Staff were supported to stay connected and with allowances to enable effective home working. We also gave staff an additional 2.5 days' holiday in recognition of the impact of the pandemic and as a thank you for all their efforts.

We again had to make an early decision about our plans for Trimester 1 academic year 2021/22 to enable timetabling and all necessary campus adjustments to be completed during the summer. Indeed, we spent the final part of the academic year managing a complex range of projects to both facilitate an increase in the number of students on campus, as well as to address requests for new equipment and facilities to further support blended

learning and flexible delivery. This work included the installation of new temporary buildings at Craiglockhart and a major refurbishment of other spaces, particularly in our Merchiston campus. Broadcast suites have been installed on all campuses to enable live broadcast or pre-recording of materials, and a range of hybrid flexible classrooms have been established. We also secured the nearby Church Hill Theatre to support practical classes for Trimester 1.



Craiglockhart temporary buildings

It was necessary to navigate a complex policy environment, including ever changing requirements depending on the dynamic RAG status of countries and managed quarantine requirements, to enable our international students to join us. Unable to hold our July in-person graduations we ran a city takeover celebration instead (#NapierNames), achieving very positive feedback.



#NapierNames city takeover

Whilst COVID-19 has presented challenges, it has also catalysed opportunities to innovate in different ways. Academics from our teacher education

programme helped bring science into the home for thousands of secondary school pupils in Scotland by working with Education Scotland and the BBC Bitesize team to film practical experiments, made available through YouTube and as part of Scotland's national e-learning offer, to ensure that pupils studying science subjects could continue to learn through lockdown.

Our Digital Support Partnership project played a key role in bringing colleagues and students together to support each other and to share the many examples of high-quality teaching throughout the ongoing constraints of the pandemic. From the outset, the project team adopted a 'rapid response' approach to support the move to blended and online delivery, producing 12 principles for online learning and teaching, and leading on the development and dissemination of a wide range of resources, including: daily online teaching and digital tools; webinars and drop-in sessions; a Moodle online discussion forum (over 300 participants); videos; quick guides; and podcasts, which have reached audiences across Europe, North America, South America and Asia.

As we emerge from the COVID-19 pandemic, we do so with renewed focus on growing our diverse student body, improving their experience and maximising their future career prospects. Our priorities for 2020/21 also included actions to: establish the core features and attributes to be delivered through our Gold Standard Curriculum; use our new academic calendar to introduce career development opportunities for staff and students; increase external engagement and innovation to support economic recovery; diversify and maximise income from different delivery models for online and international; grow research income and Knowledge Transfer Partnerships; build on positive learnings to drive change in working practices and support inclusion; increase recruitment and retention of students from socio-economic disadvantaged communities; and develop a roadmap towards achieving net zero carbon by 2030.

This has been a good year in terms of external recognition. The Times Higher Education Good University Guide identified us as the highest climbing university and the top modern university in Scotland. While our National Student Survey results dropped from 86% to 81% for overall student satisfaction, in the context of the sector we

did very well. We maintained our top position in the Edinburgh region, and we rose from 8<sup>th</sup> to 6<sup>th</sup> equal in Scotland and 21<sup>st</sup> in the UK, maintaining and gaining ground in key subject areas.

Postgraduate Taught Experience Survey (PTES) student satisfaction result was 83%, with Edinburgh Napier ranked 16<sup>th</sup> out of the 88 institutions participating in the UK, placing it in the top quartile. We are in the top two quartiles for most sections with particularly strong results for skills development.

In terms of recognition through awards - some highlights include: teams from Marketing & External Relations and International Operations & Student Recruitment taking gold at the Heist Awards; our Widening Participation team winning the Stand Alone Pledge Award; and Laboratory Technician, Russell Wilson, winning the Science Council CPD Award. We became the first and only UK Higher Education institution to be awarded the prestigious Order of Distinction from the Royal Society for the Prevention of Accidents (RoSPA) for an outstanding and sustained performance in health and safety. We also held our own 'Above & Beyond' awards in a live online ceremony, with a total of 290 nominations across 11 categories. Progress and key achievements for this year against each of our four strategic objectives are summarised below.

### **Build Careers – Create Opportunities**

A key priority was to use the revised academic calendar to support new opportunities for students to engage in 'inspiring careers' events. The new calendar includes a three-week window in Trimester 2, during which student opportunities (careers) weeks were delivered, with a focus on employability skills, industry insight and graduate employment. This was in direct response to the impact of the global pandemic and the need to provide even more support to our students and recent graduates on their career paths.

A wide range of career-focused activities were also offered over the course of the year to those students due to graduate, with this support being accessible for up to two years after graduation. Examples included: the annual Digital Student Futures Festival in Trimester 2, bringing together a wide range of employers; webinars covering advice on career planning, applications, interview

skills, confidence building, and networking; appointments with Careers & Skill Development Consultants; links to graduate level opportunities; the Edinburgh Napier Graduate Talent Bank; and the Graduate Plus portal, which gives graduates instant access to key support services digitally, including help in starting their own business, or links to our alumni network.

The project established to introduce and embed the Gold Standard Curriculum (GSC), also one of our nine strategic transformational actions and an annual priority, got off to a good start. An Associate Professor was appointed to lead the project with a focus on identifying, defining, and developing Edinburgh Napier's strengths in curriculum design. The implementation of this framework is structured through three workstreams, all of which have students at the heart of the approach. As work has progressed, institutional evidence from the Digital Support Partnership Project and the shifting landscape has enabled elements of the GSC to be reframed. School Curriculum Design Leads have identified programmes with strengths in pillars of the GSC and practices to share more widely.

Transition Training Funding (£74k). New short courses were developed and delivered for the first time in Tourism, Digital Analytics Strategy for Marketing and Fundamentals of Cybersecurity.

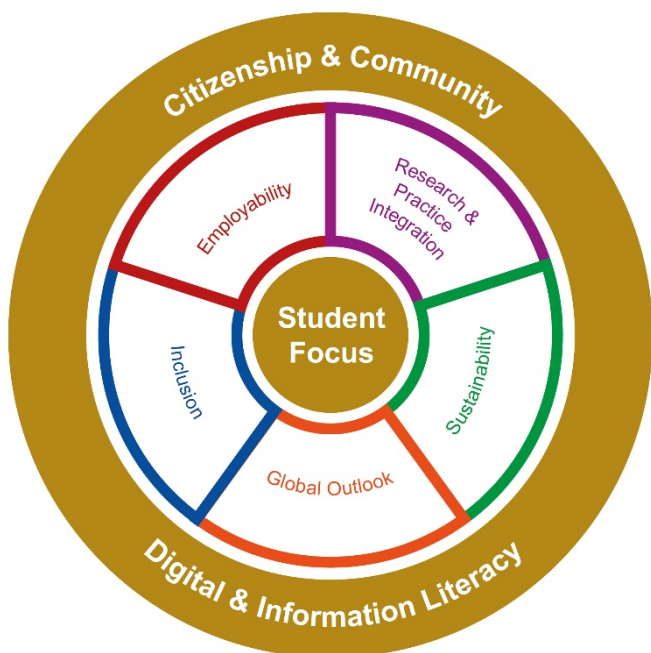
The Graduate Apprenticeship recruitment cycle for 2020/21 was extended across Scotland to allow for January cohorts, as many employers were slow to commit during, and immediately following, lockdown. We recruited 120 Graduate Apprentices during 2020/21 to join the 247 currently on our degree programmes. Other skills development projects that got underway included for example, introducing data science into the curriculum in the School of Health & Social Care (SHSC) and the Business School (TBS) as part of the Data Driven Innovation City Deal.

We were among the first institutions in the UK to be recognised for our commitment to cyber security education under a new initiative from the National Cyber Security Centre (NCSC) – a part of GCHQ. As one of eight institutions named as an

Academic Centre of Excellence in Cyber Security Education (ACE-CSE) we have been recognised with the initiative's Silver award for our ambitious vision in the field. We already deliver NCSC-certified undergraduate and postgraduate programmes – BEng Cybersecurity & Forensics, and MSc Advanced Security & Digital Forensics – which attract students from around the world.

Retaining Gold accreditation in the Defence Employers Recognition Scheme we worked closely with the Scottish Credit and Qualifications Framework to map military qualifications and help service personnel articulate qualifications gained in service and use them when they consider study in further and higher education in Scotland.

In line with our transformational action to prioritise career and professional development, we also had a focus on using the new academic calendar to introduce career development activities for staff. The revised academic calendar, introduced in September 2020, includes five 'marking, preparation & development weeks', giving the opportunity for staff development. A new self-directed learning platform, "Discover Learning" was launched to coincide with the development weeks, offering a wide range of high-quality, practical, 'on demand' resources, designed to assist staff, whether working online or on-campus,



**Gold Standard Curriculum Framework**

In line with Scottish Government priorities, upskilling and reskilling the workforce and providing work-based learning routes is one of our strategic transformational actions and a priority for us. Upskilling short course provision was delivered in line with increasing funding allocations from the Scottish Funding Council (£199k) and National

in tackling day-to-day challenges and support their continuing development. The courses cover topics such as communication, presentations, creativity, motivation, collaborative working, change management, innovation and project management.

The number of academic staff holding doctorates increased to 70%, while staff with Fellowships of the Higher Education Academy remained high at 75%. Work has also been initiated on a development programme for early career academics, which will be a key focus in 2021/22.

### **Grow Networks – Connect Communities**

We launched our Innovation Hub to showcase the University's capabilities and provide opportunities to increase external engagement, spanning all areas of engagement from collaborative research to CPD/consultancy, through to employer engagement and opportunities for student placements. All short course offerings have been migrated to the Innovation Hub website, offering a user-friendly attractive interface.

A new University-wide Client Engagement Framework was introduced with significant focus placed on identifying capacity and capability within schools to undertake research and knowledge exchange projects and providing more targeted support from in areas of strategic importance.

Key strategic relationships are progressing with organisations including BT, Scottish Ambulance Service, Creative Scotland, NHS Education for Scotland (NES) and the Ministry of Defence (MoD), amongst others.

Our new Internationalisation Strategy was agreed in June, which articulated our ambition to develop new models for transnational education to support future sustainability, which include a new model of franchise provision that will open up opportunities in new markets. Discussions are continuing with existing and new partners on international centre opportunities.

Although the proportion of full-time undergraduate Scottish-domiciled entrants from SIMD20 postcodes dropped from 14.8% in 2019/20 to 12.4% in 2020/21 against an Outcome Agreement target of 14.5% we increased the number of students from SIMD20 postcodes

joining us this year. We were successful in meeting our target in recruiting 724 students articulating from colleges. Work is underway to review and refresh our widening access activity and strengthen partnerships with college partners to ensure we are positioned to grow our entrants from socioeconomically deprived backgrounds. Current admissions data indicates that the University is on track to increase the number of students from SIMD20 postcodes for 2021/22.

The University continued to play an active role as host of the Hub for SUCCESS, which brings together a consortium of tertiary education and local authority partners to promote access and participation to care-experienced individuals.

Work to support student retention included the establishment of a new personal development tutor forum supported by staff in our Department of Learning and Teaching Enhancement and Moodle data analysis, while a new student check-in app was introduced to identify students who are not engaging in studies. All Schools implemented specific plans for keeping in touch with students during the priority time for retention in Trimester 1.

Student recruitment in 2020/21 was unpredictable due to the continuing COVID-19 pandemic. The University adjusted recruitment targets mid-cycle using scenario planning guidance from the Scottish Funding Council. The adjustments to assessment practices for qualifications such as SQA Highers and A Levels, following the cancellation of examinations, meant that some subject areas over-recruited during the confirmation period. The SFC provided allowances for this given the unpredictable external environment.

A particular challenge was students who had planned to progress from College HNC/D programmes to the University, who had been unable to undertake practical elements of their course. The University worked directly with colleges to ensure students could be supported through their transitions. The recruitment position overall was positive, with adjusted targets being achieved in the majority of cases and the University achieving 112% of the target overall for the 'home' undergraduate population.

Individual highlights related to growing networks and connecting communities include Professor Robert Hairstans joining The New Model Institute

for Technology and Engineering on part-time secondment as Founding Director of its Centre for Advanced Timber Technology, with the aim of establishing it as a leader in timber education and creating a sustainable educational portfolio.

Sana Bilgrami curated an online exhibition 'Landscape of Memory' for the Koel Gallery in Pakistan, featuring an exciting collaboration between 10 Pakistani and Scottish artists. The exhibition reveals how borders can be surpassed through the language of mark-making, and how artworks can speak to each other by embracing, subverting and transcending histories. The artists explore the complex and fragile ecological relationships between nature and humanity.

Associate Professor Eamonn O'Neill was named as the first UK recipient of the John F Kennedy Presidential Library and Museum Foundation's Ernest Hemingway Research Grant, with the aim of producing both scholarly research articles and a book for a wider readership.

### **Advance Knowledge – Deliver Impact**

A key priority for 2020/21 was to grow our research income, with a focus on Knowledge Transfer Partnerships (KTP) and business engagement, as well as optimising our REF submission. Research income increased by 16% from £3.2m in 2019/20 to £3.7m in 2020/21. The portfolio of KTP projects increased and by December 2021 we expect it to include seven projects.

The University submitted 251 FTE staff to the Research Excellence Framework (REF) 2021, representing a substantial increase over the previous submission of 97 FTE staff to REF2014 and exceeding the Strategy 2020 (2019/20) target of 200 FTE. Regular evaluation rounds of our research outputs involving external experts were used to optimise the final output submission in each of the thirteen units of assessment, an increase from nine units in 2014. We increased our outputs and impact case studies submitted from 385 to 630 and 19 to 33 respectively; the latter are available on our web pages.

Two Entrepreneurs in Residence were appointed, with Edinburgh Napier being one of only two Scottish HEIs to have entrepreneurs awarded a place on the scheme for 2021. Jamie Graves, from multi-award-winning cyber security start-up

ZoneFox (an Edinburgh Napier spin out), and Robert Goodfellow, previously Head of Enterprise & Business Development at Heriot-Watt University, are spending 20 per cent of their time over a 12-month period with the University, sharing their experiences and helping to mentor, inspire and support students and academics with entrepreneurial goals and ideas.

We have undertaken a comprehensive process to review and establish a series of research centres linked to our overarching academic themes of wellbeing and sustainability. We launched centres including for example the Centre for Cardiovascular Health, the Centre for Military Research, Education & Public Engagement, the Centre for Mental Health Practice, Policy and Law, and the Centre for Transport Innovation.



**Centre for Military Research, Education & Public Engagement**

In terms of delivering impact, research led by Professor Amir Hussain to develop multimodal hearing aids designed to autonomously adapt to their surroundings, is being supported by The Engineering and Physical Sciences Research Council (£3.2million award) as part of the Transformative Healthcare Technologies for 2050 programme. It is part of a series of projects that demonstrate new technological approaches to transforming care and treatments in the NHS.

We are working in partnership with South of Scotland Enterprise, Scottish Borders Council and Scottish Cycling to deliver the World's first Mountain Bike Innovation Centre as part of the £19m Mountain Bike Project funded by the Borderlands Inclusive Growth Deal. It aspires to be an international centre of excellence, focussing on innovation and design, supporting performance enhancement and wellbeing, transforming the current supply chain, supporting local and international companies by addressing capability

gaps, driving innovation growth, and supporting development of sustainable carbon neutral products and processes.

We were awarded grant funding by the Forces in Mind Trust to conduct research, in partnership with the University of Edinburgh into the experiences of ex-Service personnel living in Scotland. The study will address the current lack of data on ex-Service personnel in Scotland, mapping the distribution of Service leavers across Scotland and seeking to understand their aspirations, concerns and support needs when leaving the Armed Forces.

The Scottish Games Network has been awarded the 'Connected Innovators' grant to carry out research aimed at developing a better understanding of the country's games sector and to help make more informed decisions about its future and find new ways to support it. The project will be led by Edinburgh Napier lecturer Brian Baglow, director of the Scottish Games Network, the organisation which supports Scotland's videogames and interactive industries.

Associate Professor of Criminology and Director of the Scottish Institute for Policing Research, Liz Aston, was appointed to chair the Independent Advisory Group on New and Emerging Technologies in Policing. The group will report on whether current legal or ethical frameworks need to be updated in order to ensure Police Scotland's use of emerging technologies in relation to operational policing is compatible with human rights legislation and best practice.

The School of Computing had another spin-out success with Memcrypt, which is dedicated to combatting the ransomware attacks which have inflicted costs of more than £130 billion across the world during the last year. Memcrypt follows earlier University cybersecurity ventures ZoneFox, Symphonic Software and Cyan Forensics in making the leap from research lab to the market.

Professor Anna Campbell has been appointed co-investigator on SafeFit, a new online clinical trial offering emotional, physical and healthy eating support to people dealing with cancer. Anna is founder and chair of the CanRehab Trust, a spin-off company from her research which supports people living with the disease in the UK in being active. National Lottery funding, through the Royal

College of Anaesthetists, will now allow the CanRehab Trust to help more people living through the COVID-19 pandemic with a diagnosis or suspicion of cancer to access SafeFit.

Our Transport Research Institute reached its 25th anniversary this year, and there was much to celebrate in terms of achievements and impact from wide-ranging high quality transport research projects, consultancy and other knowledge transfer projects in high impact settings.

Edinburgh Napier was listed as 6th in Scotland and 42nd in the UK in Octopus Ventures Entrepreneurial Ranking Report for 2020, which tracks UK universities' record at turning research into world-changing companies. The Guardian University Awards saw Edinburgh Napier secure two runners up awards in the Social and Community Impact category: Neonatal Nurse Education and Bleedin' Saor. For the latter, a group of Product Design, Film and TV students from our School of Arts & Creative Industries (SACI) had worked with University staff and the social enterprise Hey Girls to design a dispenser of free sanitary products, made available in bathrooms across University buildings, to raise awareness of period poverty and end the stigma.

## Grow Sustainably

Sustainability is a key underpinning commitment in our strategy, with associated transformational actions to grow and diversify our income and, critically, to achieve net zero in our operations by 2030 at the latest. We have also committed to seeking to minimise our wider and legacy carbon footprint and influence sustainable practices within and beyond our campuses.



Student volunteers planting at Craiglockhart campus

In terms of financial sustainability, our priority for the year was to maintain our income from different delivery models given the challenges posed by the pandemic. Income and contribution from TNE and Global Online programmes exceeded budget at £8.3 million against a target of £8.2 million. Student numbers for the University's Global Online programmes exceeded 3,000 for the first time and work was conducted to expand the University's Global Online portfolio into new areas in Arts & Creative Industries and Health & Social Care. A new partnership has been signed with Shenzhen University China, with the first intake joining the Global Online MBA in May 2021.

We have a strong history of enhancing environmental sustainability within and beyond Edinburgh Napier, so to develop our work further we had a priority to develop an Environmental Sustainability Strategy (ESS). This strategy is in its final stages, incorporating a three-year roadmap, underpinned by a comprehensive set of potential actions/projects for the short, medium- and long term. The ESS will supersede all historic environmental sustainability plans, including the Carbon Management Plan, building on projects and best practice embedded to date and connecting to the City of Edinburgh, Scottish Government and other relevant local and national plans through existing partnerships and networks such as the Sustainable Scotland Network (SSN).

We joined the Edinburgh Climate Compact and, along with other place-based partners, have contributed to workshops and consultation to support the development of the City Climate Strategy for 2030. We reduced our emissions to 3,134 tCO<sub>2</sub>e over 2020/21 - a 51% reduction compared to 2018/19 baseline (pre-pandemic) of 6,422.6 tCO<sub>2</sub>e and updated our electricity contract to procure 100% renewable electricity, now backed by Renewable Energy Guarantees of Origin.

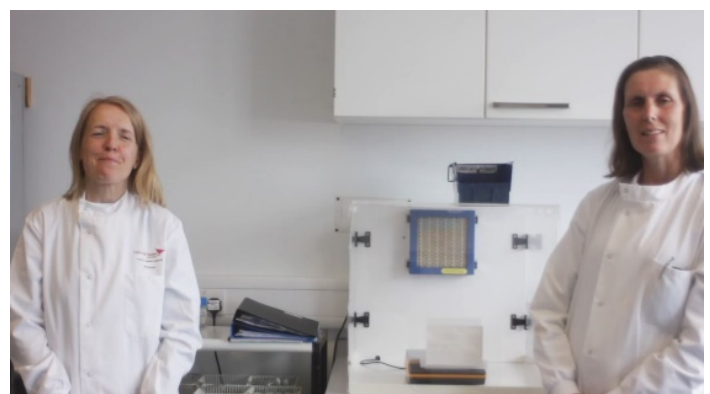
We further developed an externally facing hub of information [www.napier.ac.uk/environment](http://www.napier.ac.uk/environment) and announced the removal of all direct investments from fossil fuel companies, with members of the Edinburgh Napier Sustainability Society (ENSS) having been instrumental in encouraging this decision, highlighting the strength of student voices in leading change. We worked with ENSA and ENSS to develop and release a 'Studying from Home – Sustainability Guide'. A new University-wide module 'Achieving Sustainability' was also

developed, ready for students to study during 2021/22.

Edinburgh CAN B was established through a successful bid with the City of Edinburgh Council, Edinburgh Chamber of Commerce and the SDG Network to be the first CAN B city in Europe. A registered charity, it brings together cross-sector collaborations with the citizen voice, to accelerate progress to attain the SDGs, including our commitment to a net-zero transition, and Associate Professor Miles Weaver from our Business School is a trustee. The Business School has also been collaborating with St. Joseph's University to trial a pioneering UNSDG tracker.

Our 'Meat Free Monday' campaigns were promoted internationally as a good practice and all campus coffee outlets changed to Coffee Conscience, whose mission is to make a difference by delivering social, environmental and community responsibility. Our Environmental Sustainability Manager was made a Fellow of the EAUC (The Alliance for Sustainability Leadership in Education), while Ankit Duggal (ex ENSA president) was shortlisted in the Green Gown Awards 2021 in the category of Sustainability Champion - Staff

A further array of activity such as: embedding sustainability factors through the new Grounds Management Tender; a student led conference entitled 'Reimagining and Rebuilding a Post COVID-19 Sustainable Future Together' as well as ongoing development by colleagues and volunteers through the Lion's Gate and Sighthill Gardening Group reflect the ongoing commitment and passion for sustainability at the University. The lab plastics recycling programme has diverted 1.5 tonnes of plastic away from general waste to date and pioneers, Lisa McMillan and Jo Brown,



Lisa & Jo - Lab plastic recycling pioneers

have been asked to share their story with other universities and other organisations keen to learn from the approach they developed

Dr Sam Vettese in a collaboration with the Scottish Leather Group won the 'making a difference' award at this year's Scottish Knowledge Exchange Awards. The partnership developed new, high value products and processes from waste and offcuts, which have significantly impacted on manufacturers, as well as contributing to education, and sustainable art.

An initiative to develop Nepal-based craft projects as sustainable businesses was launched as part of the countdown to the 26<sup>th</sup> UN Climate Change Conference (COP26) in Glasgow. Inge Panneels is working with British Council Nepal, Kathmandu University and Applied Arts Scotland on the Road to COP26 Innovation Grant Programme, which aims to support the development of new ideas for sustainability in Nepal that harness nature-based and craft-related solutions to promote positive environmental impacts.

The Environmental Sustainability Strategy Group (ESSG), has also had a significant focus on collating, supporting and coordinating a plethora of other activities in the run up to the forthcoming COP26 conference.

## **Equality, Diversity and Inclusion**

With inclusion as one of our core values, our aim is to create a community where everyone feels proud, confident, challenged and supported. We are required to evidence progress against our Public Sector Duty requirements, including our Equality Outcomes. These strategic objectives tackle key areas where we seek to challenge our practice to better support those with protected characteristics within our University community.

The University has five Staff Inclusion Networks, namely: LGBT+; Carer's Network; Women's Network; Armed Forces Network; and BAMEish, launched in September 2020, with a new Interfaith Network expected to be launched just after this year end. The networks continue to provide support and safe spaces for staff, have influenced the development of policies, and run regular events to bring people together.

Our Race Equality Action Plan was approved in June. The action plan describes our aims across six themes – Education & Training; Visibility & Representation; Reporting & Wellbeing; Curriculum; and Data, with priorities defined for year 1. These include ensuring race is fully addressed within our learning and development provision, aligning our recruitment processes with the Scottish Government Minority Ethnic toolkit and ensuring we have relevant health and wellbeing support for staff from ethnic minorities.

Through our Inclusion Strategy, Edinburgh Napier is committed to providing support and understanding to staff who wish to take steps, or have already taken steps, to change the gender with which they identify. We have developed Transitioning Gender guidance, with input from the University's LGBT+ Network and trade unions, to outline the support Edinburgh Napier can offer colleagues who are transitioning.

## **Disability policy**

Edinburgh Napier University welcomes those with visible or hidden disabilities, those with long term health conditions and specific learning difficulties and is committed to providing both students and staff with support in all aspects of University life.

We take a positive, flexible approach to encouraging full participation of disabled people into all aspects of University life and make every reasonable effort to anticipate and provide the necessary support, adaptations, equipment and development, in order to enable students and staff to fulfill their potential.

For students this is delivered by our Disability Inclusion service which is also driving forward our 'I'm In' inclusive practice programme that focuses on how we can mainstream existing good practice and remove barriers to disabled staff and students by encouraging a universal design approach.

For staff this is delivered through our participation in the Disability Confident scheme, which we have recently gained reaccreditation at Level 2 (Employer). This scheme encourages us to think differently about disability and take action to improve how we recruit, retain and develop people.



## Mental Health and Wellbeing Support

The latest Mental Health & Wellbeing Plan, which builds on the plan from 2021, was launched in October 2021 to coincide with World Mental Health Day. The plan highlights the priorities and key areas of focus for the forthcoming year and brings together the existing resources and support available for staff in support of mental health and wellbeing.

Edinburgh Napier has recently partnered with Mental Health UK as the chosen supplier to deliver Mental Health Awareness training for staff and for managers. The workshops launched in October 2021 and early feedback is extremely positive with staff and managers indicating that their level of understanding and knowledge of mental health issues has increased through attendance. A role specific approach has been taken to identify the most appropriate mental health training for staff to ensure that staff can access the right training for the role they undertake. Training is available via both online packages and face to face delivery.

A key aspect for this year will be to ensure that staff have easy access to the health and wellbeing resources available, including the Employee Assistance Programme, #togetherall and Silvercloud platforms, whilst a calendar of events and promotional activities will continue throughout the year, with a focus each month on key health and wellbeing concerns. Some of the more recent topics have included, alcohol awareness, stress and anxiety awareness, pancreatic cancer awareness and men's health issues.

The Mental Health First Aid at Work Champions network continues to grow and now comprises 20 staff. The trained champions are a point of contact for an employee who is experiencing a mental health issue or emotional distress. The champions have recently undergone a refresher programme and regular peer to peer support sessions have been set up to share experiences, learn from one another and provide an opportunity for ongoing development.

## Key Performance Indicators

Our 2020/21 Performance	Academic staff with doctorates, 70%	Academic staff HEA accreditation, 75%
Key Performance Indicator	2020/21 target	2020/21 actual
TPG students (FTE)	3,106	3,712
RPG students (FTE)	167	182
International students on-campus (FTE)	1,597	2,029
TNE income (incl. online)	£8.2m	£8.3m
Proportion of SIMD20 entrants	14.5%	12.2%
NSS / PTES satisfaction	90%/85%	81%/83%
Year 1 continuation	90%	91%
Graduate level employability (positive destinations)	80% (95%)	68% (95%)
<u>ENhance*</u>	Define	Defined
Research Active Staff with ≥3* publication (FTE) (Number of research active staff - REF census – FTE)	275	214 (251)
KE income (excl GA)	£3.1m	£2.5m
Research & contract income	£4.9m	£3.7m
Net carbon emissions (tonnes)	5,790 tCO <sub>2</sub> e	3,134 tCO <sub>2</sub> e
Total income / surplus	£126.5m/£-2.2m	£131m/£4.9m

\* Terminology change from Gold Standard Curriculum

## Financial Sustainability

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

To enable our strategy, we will:

- Ensure the basket of financial sustainability metrics is always at a weighted, acceptable level, maintaining access to liquidity that will allow us to meet our obligations, even under stress.
- Target a ratio of academic to professional staff of 1:1 (2020/21: 0.82:1) with our ratio of staff costs not exceeding 60% (2020/21: 60.3%). We will strive towards an operating surplus of at least 5% of total income (2020/21: 3.8%).
- Look to reduce our reliance on SFC income to less than 50% (2020/21: 50.6%) by increasing the proportion of international, commercial and research income. This supports our academic strategy and aspirations to be a leader in applying our knowledge to wider stakeholders.
- Develop an estate that provides the best learning environment, is relevant to the modern workplace, linking seamlessly with the community and our industrial and other partners.
- Support an IT infrastructure that provides a first-class user experience and facilitates maximum efficiencies and access to relevant data.

## Scope of the Financial Statements

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

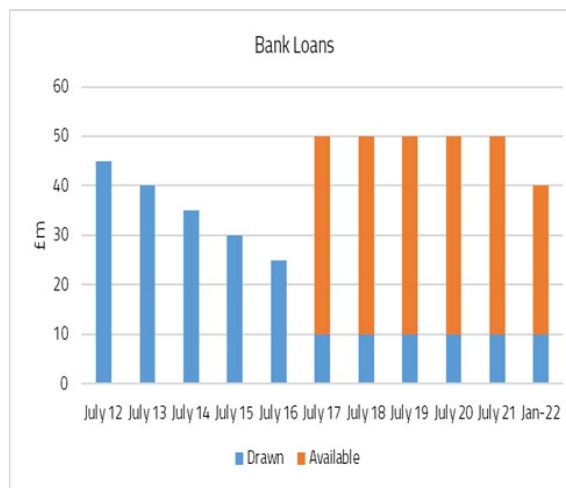
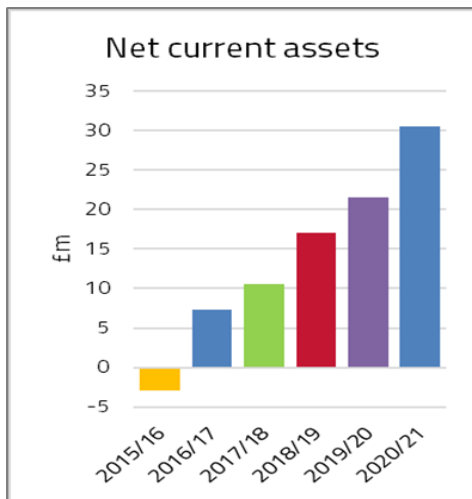
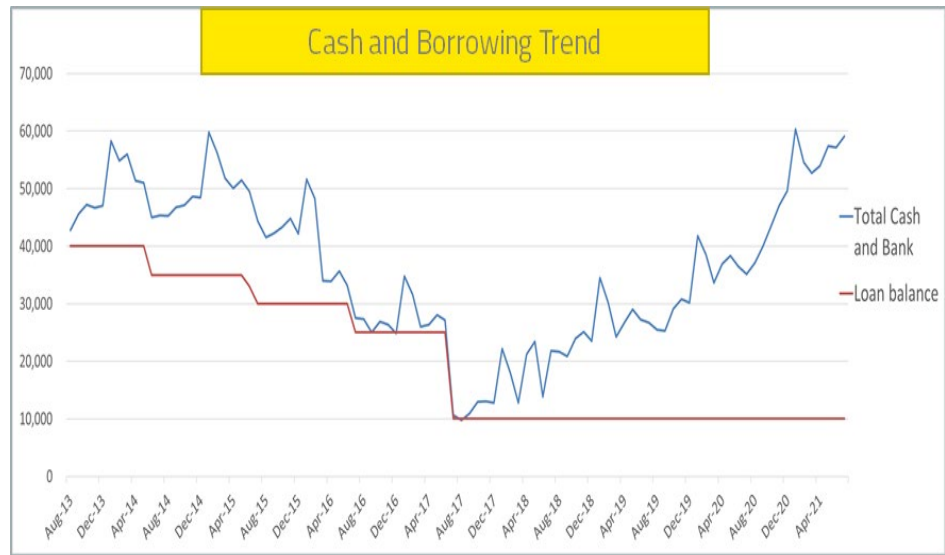
## Financial Review

As described in previous reports our financial strategy over the last 5 years has been on strengthening our balance sheet to provide both financial resilience but provide the platform to deliver our ambitious capital investment across our estate and digital environment.

The graphic overleaf describes our consistent and planned progress. Although our net asset position has been negatively influenced by the large swings in our pension valuation, it can be seen that our liquidity, as measured by net current assets, has increased year on year from 2015/16 and now sits at a healthy £30.5m. This is also reflected by our cash balance which at the year-end was £54.7m whilst borrowing has been contained at £10m.

As a consequence of our prudent financial management, we now have funds available of over £80m to progress our investment plans represented by our cash balance and our unused facility of £30m with the Bank of Scotland.

Our Balance Sheet (£000):		
	2021	2020
Non-current assets	118,620	120,800
Current assets	62,096	42,306
Current liabilities	(31,567)	(20,754)
<b>Net current assets</b>	<b>30,529</b>	<b>21,552</b>
Creditors >1 year	(10,021)	(10,250)
Provisions*	(83,699)	(103,467)
<b>Net assets</b>	<b>55,429</b>	<b>28,635</b>



**Funds Available of:**  
**£50m cash**  
**+**  
**£30m loan facility**

## Income and Surplus

Despite the severe and ongoing impact of COVID-19, the University has managed a modest growth in income from £127.6m to £131.1m.

£m	2019/20	2019/20	2020/21	2020/21
	Excl. Dev Trust	Inc. Dev Trust	Excl. Dev Trust	Inc. Dev Trust
<b>Income</b>	127.5	127.6	130.6	131.1
<b>Expenditure</b> before pension charges	(126.1)	(126.5)	(125.7)	(126.1)
<b>Surplus</b> before other gains / losses	1.4	1.1	4.9	5.0
Other gains / (losses)	(1.9)	(2.0)	2.3	2.6
<b>Surplus / (deficit)</b> before pension charges	(0.5)	(0.9)	7.2	7.6
Pension charges	(5.1)	(5.1)	(9.5)	(9.5)
<b>Deficit</b> after pension charges	(5.6)	(6.0)	(2.3)	(1.9)
Actuarial gain / (loss)	(41.6)	(41.6)	28.7	28.7
<b>Net surplus/ (deficit) for the year</b>	<b>(47.2)</b>	<b>(47.6)</b>	<b>26.4</b>	<b>26.8</b>

Tuition fees grew by £0.8m to £51.8m and this growth in student numbers supported an increased teaching grant which grew by over £4m to £55m. Our ability to generate other non-academic income through our residences, catering and conference facilities was negatively impacted by COVID by over £4m although we are grateful to one off awards from the Scottish Funding council to help mitigate the impact. Encouragingly, we saw modest growth in research and Knowledge Exchange activity, and we expect a step change in the coming year as delayed projects are recommenced whilst we are seeing good success in securing new bids and awards. Continued prudent spend management during the year assisted in the realisation of an operational surplus of £4.9m prior to one-off gains and the inclusion of the annual revaluation of our pension schemes in our accounts. This negatively impacted our operational result by £9.5m, although the actuarial gain of £28.7m resulted in a net pension gain of £19.2m, increasing our overall surplus for the year to £26.8m.

## Income and Student Numbers

Despite the impact of COVID-19 our overall income (including the Development Trust) increased by 2.7% to £131.1m.

Our SFC grant income rose by £6.3m to £66.3m which now represents 50.5% of our total income (2019/20: 47.0%) Our strategic aim is still to reduce dependency on government funding by growing the diversity of our income streams although it is worth noting that while the University is reliant and is immensely grateful for the SFC income, payroll taxes and the irrecoverable VAT paid and contributed back to UK government totalled some £22.0m.

Tuition fees continued to grow with a modest increase by 1.5% to £51.8m.

2020/21 (Headcount)					
Delivery Location		Taught Undergraduate	Taught Postgraduate	Research Postgraduate	Total
On Campus	Scotland	8,906	1,343	111	10,360
	Other UK	520	295	30	845
	EU	1,093	436	20	1,549
	Overseas	281	1,752	57	2,090
<b>On Campus Total</b>		<b>10,800</b>	<b>3,826</b>	<b>218</b>	<b>14,844</b>
Off campus	Online	700	2,175	-	2,875
	TNE	2,811	351	20	3,182
<b>Off Campus total</b>		<b>3,511</b>	<b>2,526</b>	<b>20</b>	<b>6,057</b>
<b>All Locations</b>		<b>14,311</b>	<b>6,352</b>	<b>238</b>	<b>20,901</b>
2019/20 (Headcount)					
Delivery Location		Taught Undergraduate	Taught Postgraduate	Research Postgraduate	Total
On Campus	Scotland	8,429	1,044	107	9,580
	Other UK	572	306	28	906
	EU	1,383	485	26	1,894
	Overseas	521	1,396	59	1,976
<b>On Campus Total</b>		<b>10,905</b>	<b>3,231</b>	<b>220</b>	<b>14,356</b>
Off campus	Online	519	1,767	-	2,286
	TNE	2,871	393	21	3,285
<b>Off Campus total</b>		<b>3,390</b>	<b>2,160</b>	<b>21</b>	<b>5,571</b>
<b>All Locations</b>		<b>14,295</b>	<b>5,391</b>	<b>241</b>	<b>19,927</b>

Many research projects were suspended or delayed during the year although income still increased by 16% to £3.7m. As projects restart in the new academic year coupled with new bid success, we expect strong growth in 2021/22.

Income from residences, catering and conferences reduced from £10.2m in 2018/19, to £8.2m in 2019/20 and then further to £4.1m in 2020/21. This lost income relates to amounts refunded to students who cancelled their lease during the year, as well as a 2-week refund given to all students with a live lease in January 2021, due to them being unable to travel to our accommodation. We also waived the 28-day cancellation notice period from 1 January 2021 for the rest of the financial year whilst lockdown again affected our ability to host events, particularly summer schools.

## Development and Alumni

Throughout 2020/21 we have warmly welcomed increased engagement by alumni and supporters. Their donations, volunteering and support-in-kind adds significant value for students and the research being progressed across our three campuses.

Thanks to the generous philanthropic donations made by alumni, friends, charitable trusts,

foundations and corporates, Edinburgh Napier University Development Trust (“the Trust”) was successful in raising £0.7m in 202/21. The funds raised supported student scholarships and bursaries, research, early-stage student entrepreneurship and citizenship programmes. Over the year, £0.6m was disbursed to help 366 students. The majority of these awards addressed student hardship to support the University’s most vulnerable students when they were impacted financially by the Covid-19 pandemic, thus

ensuring that they were able to sustain their studies and concentrate on graduating.

Santander Universities continue to be a major funder, alongside committed individuals and corporates, supporting our student entrepreneurs establish their start-up ventures, assisted by grants that help prototype and test their innovations.

Complementing the direct student funding, £100k was raised for innovative development programmes like the HUB for SUCCESS which supports anyone who is care-experienced living in Edinburgh and SE Scotland, to get into, through and move on from higher education. For this project, new funders have been engaged to support the expansion of a successful pilot, which will enable the team to reach and engage many more young people. This includes a programme with partnering junior and secondary schools to inspire and engage children from a much earlier age, which has been evidenced as critical to ensure many more care-experienced children access and benefit from higher education.

## Balance Sheet

Our year-end balance sheet shows continued improvement in our net current asset position underpinned by growing cash reserves and low borrowings. Net current assets now sit at £30.5m which is inclusive of a cash balance of £54.7m.

Net assets, which, last year, were significantly impacted by the adverse year-end pension valuation, primarily in relation to our participation in the Local Government Pension Scheme, recovered by £26.8m.

The overall decrease in the pension scheme deficit for the year was £19.3m. When combined with movements in our unfunded pension provision, and the operating deficit for the year, this improved our net assets from £28.6m to £55.4m. Our pension provision now sits at £83.7m and managing this exposure is a key focus for the year ahead.

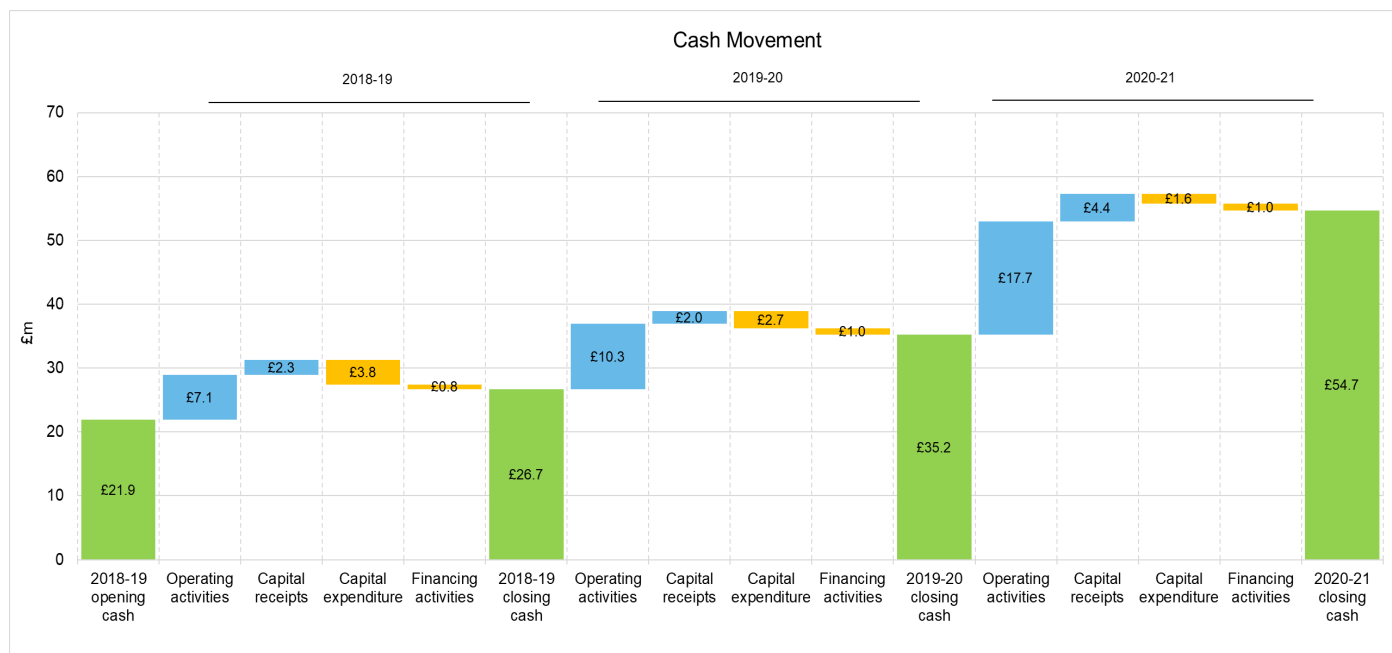
Over the year, net funds for the Trust have increased to £2.5m from £2.1m due to a combination of investment returns and an encouraging growth in the number of new donors committing support for multi-year programmes.

Philanthropic support from industry supporters plays a critical role in forming collaborative partnerships that deliver solutions for individuals, society and the environment. One example of this was seen when over 30 companies and organisations contributed their support for *Beyond COP 26*, the University's online conference sponsored by engineering consultancy WSP in the UK and legal firm Anderson Strathern.

This conference, attended by almost 300 registrants, engaged industry leaders and academics to recognise progress to reach net-zero and identify how university research and teaching can support industry to achieve ambitious targets. Aligned to the university's strategic ambitions, we continue to expand our engagement programme and welcome past, current and new supporters to be involved in some of Scotland's most exciting, applied research programmes.

	2017/18	2018/19	2019/20	2020/21
Gearing – debt as a % of Net Assets	10.8	13.1	34.9	18.04
External borrowing as a % of income	8.4	8.2	7.8	7.6
Unrestricted reserves as a % of income	71.5	56.5	17.3	37.0
Total net assets (£000)	92,268	76,243	28,635	55,429
Income per staff FTE (£)	86,626	87,184	91,153	94,435

## Cash, Cashflow and Loans



Cash and cash equivalents are £54.7m at 31 July 2021. This is an increase of £19.5m during the year and can be summarised as follows:

- Net cash inflow from operating activities was £17.7m.
- Investing in fixed assets totalled £1.6m. This was offset by asset sales, capital grant receipts and investment income totalling £4.4m, resulting in a net cash inflow from investing activities of £2.8m.
- Financing activities were consistent at £1.0m reflecting our continued low level of borrowings.

The University entered a £40m agreement for a revolving credit facility (RCF) with Bank of Scotland during 2016/17. This is a 5-year facility with the ability to convert into a term loan for a further 5 years. No drawdown has been made against this facility.

The University is currently renegotiating the above loan facility and terms are being progressed for an extended 5-year RCF at a reduced quantum of £30m which aligns better to our forecast cash requirements.

### Suppliers

It is the University's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the University and its suppliers, providing that all trading terms and conditions have been complied with. At 31 July 2021, there was an average of 51 days purchases (2020 – 20 days) outstanding in trade creditors. No interest was paid under the Late Payment of Commercial Debts (Interest) Act 1998.

### Pensions

Total pension liabilities have decreased by £19.8m to £83.7m. Further information about the University's pension schemes can be found at note 19 of the Financial Statements.

### Taxation

Although the University is an exempt charity within the meaning of the Charities and Trustee Investment (Scotland) Act 2005, and recognised as a charity by HM Revenue & Customs (HMRC), it receives no exemption in respect of Value Added Tax (VAT). Commercial trading activities undertaken by the University are operated through

its subsidiary companies and attract VAT where applicable.

The University's tax strategy outlines that we are committed to full compliance with tax laws and regulations, whilst taking advantage of reliefs and exemptions. In the year we renegotiated our partial exemption special method with HMRC. The new method allows for greater VAT recovery, particularly for the Construction Scotland Innovation Centre.

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

### **Sustainable Procurement**

The Procurement service within the Institution continues to be delivered by Advanced Procurement for Universities and Colleges (APUC), the sector's Centre of Procurement Expertise, in the form of the Edinburgh Region Procurement Team (ERPT), a shared service with Edinburgh College. The shared service continues to provide improved leverage in the supply chain, and increased resilience in service provision for both institutions involved.

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

Our total discretionary Procurement spend for academic year 2020/21 was c.£21m, in which the University achieved savings of c.£150k through the use of sector led collaborative contracts, and local procurement exercises have resulted in achieving savings of c.£906k.

Responsible Procurement continues to be at the heart of Procurement activity. The Responsible Procurement Checklist (developed in 2018) continues to be used for all procurements above £12.5k. To further support the analysis of the social, environmental and ethical impacts of the supply chain the University has adopted a sector developed tool to gather information on ethical behaviours from its supply base. The University is an affiliate member of Electronics Watch and

also an early adopter of Ecovadis, a global business sustainability ratings company.

With the increased importance on leveraging opportunities in the supply chain to reduce climate impact, a number of recent tenders have delivered benefits in this area.

Recent examples include the roof replacement at the JKCC on our Merchiston campus, where exiting glass and building materials were recycled and re-used in the project, the lift replacement at our Craiglockhart campus where waste materials and redundant lift equipment were recycled, and to support the reduction in use of fossil fuels two electric vehicles were purchased to replace existing fleet.

### **Governance and Risk Management**

Our Governance arrangements are outlined in the Corporate Governance Statement on page 23.

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

The main risks facing the University are:

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

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

**On behalf of the University Court,**



**June Boyle, Chair**  
**13 December 2021**

## **Introduction**

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

## **Statement of full compliance**

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

Effectiveness Reviews are conducted by the Court on a quinquennial basis, most recently in 2017/18, to ensure compliance and to ensure appropriate ongoing enhancement of governance arrangements at the University. The report of the 2017/18 Court Effectiveness Review is published on the University's website.

## **University Court**

The University Court meets at least four times a year and has a committee structure through which it conducts its business. During the COVID-19 pandemic regular update meetings were also held to update Court on matters arising relating to the pandemic. Meetings were adapted to run virtually with no impact on the ability to govern effectively as a Court.

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

Revisions to Court's constitution necessitated by the revised membership requirements introduced by the Higher Education Governance (Scotland) Act 2016 were made by the Privy Council through an amendment to the University's Statutory Instrument on 22 May 2018.

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

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

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

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

The Remuneration Committee determines the remuneration of the most senior staff, including the Principal. Details of the remuneration of senior post-holders for the year ended 31 July 2021 are set out in note 8 to the financial statements.



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

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

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

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

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

## **Corporate Strategy**

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

## **University Court Statement on Internal Control**

The University Court is responsible for the system of internal control and has delegated to the Principal the review of its effectiveness, as the nominated officer responsible to the SFC for propriety and regularity in the use of public funding and for the economic, efficient and effective use of all available resources. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Court and University Leadership Team receive reports setting out key performance and risk indicators and consider possible control issues brought to their attention by early warning mechanisms which are embedded within the operational units and reinforced by risk awareness activity. A review of key performance indicators was conducted following publication of the relevant Committee of University Chairs Report in November 2006 and ongoing improvements have been made to the institutional performance monitoring reports provided to the Court.

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

The Court regularly considers risk and control and receives reports thereon from the University Leadership Team and the Audit & Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2020 meeting the Court received the annual report from the Audit & Risk Committee covering the period to 31 July 2020. At its June 2021 meeting, the Court considered the annual risk assessment for 2020/21 as considered and recommended by the Audit & Risk Committee following the annual risk review process. The Court receives regular risk monitoring reports at its meetings throughout the year.

The Court is of a view that there is an ongoing process for identifying, evaluating and managing the University’s significant risks that has been in place throughout the year ended 31 July 2021 and up to the date of approval of the annual report and financial statements. This process is reviewed regularly by the Court and accords with current good practice of governance in the higher education sector of the UK.

**Going Concern**

The Court considers that the University has adequate resources to continue in operational existence for the foreseeable future, and at least 12 months from the date of the approval of the financial statements, as described in more detail on page 36.



Robotics lab



Socially distanced students on campus

**On behalf of the University Court,**

**June Boyle, Chair**

**Professor Andrea M Nolan, OBE,  
Principal and Vice-Chancellor  
13 December 2021**

The University Court has unambiguous and collective responsibility for the oversight of the University's activities and determining its future direction. In addition, in accordance with its Statutory Instrument, the University Court is responsible for the administration and management of the affairs of the University including ensuring an effective system of internal control and is required to present audited financial statements for each financial year. The Court, however, ensures that its functions relating to the organisation and management of the University are discharged by the Principal and may delegate such other of its functions and powers as the Court may from time to time determine. In discharging such functions, the Principal is subject to the strategic direction and control of the Court, but otherwise the Principal has all the powers and duties of the Court in relation to the implementation of such strategy. The full Statement of Primary Responsibilities of the University Court is published on the University's website.

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

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

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

- suitable accounting policies are selected and applied consistently;

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

The Court has taken reasonable steps to:

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

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

- clear definitions of the responsibilities of, and the authority delegated to, Senior Managers, Deans of Schools and Directors of Professional Services, as set out in the University's Schedule of Delegated Authority which was updated and approved by the Court in October 2012;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of key performance indicators and business risks;
- periodic reviews of financial results involving variance reporting and periodic updates of forecast outturns;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Court;
- comprehensive Financial Procedures and Regulations, detailing financial controls and procedures, approved by the Audit & Risk Committee and the Finance and Property Committee;
- a professional third-party Internal Audit team whose annual programme is approved by the Audit & Risk Committee and endorsed by the Court. Internal Audit provides the Court with a report on internal audit activity within the University and an opinion on the adequacy and effectiveness of the University's system of internal control, including internal financial control.

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



**Edinburgh Napier branding at Bainfield**



**School of Arts and Creative Industries Degree Show**

**On behalf of the University Court,**

A handwritten signature in black ink, appearing to read 'June Boyle'.

**June Boyle, Chair**  
**13 December 2021**

# **INDEPENDENT AUDITOR'S REPORT TO UNIVERSITY COURT OF EDINBURGH NAPIER UNIVERSITY**

## **Opinion**

We have audited the financial statements of Edinburgh Napier University ("the University") for the year ended 31 July 2021 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Balance Sheet, the Consolidated Statement of Cash Flows and related notes, including the Statement of Accounting Policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group and University's affairs as at 31 July 2021 and of the Group and University's income and expenditure, gains and losses and changes in reserves and of the cash flows for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and with the 2019 *Statement of Recommended Practice – Accounting for Further and Higher Education*; and
- have been prepared in accordance with the requirements of Charities and Trustee Investment (Scotland) Act 2005 and regulation 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## **Basis for opinion**

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

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

have obtained is a sufficient and appropriate basis for our opinion.

## **Going concern**

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

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

Our conclusions based on this work:

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

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

## **INDEPENDENT AUDITOR'S REPORT TO UNIVERSITY COURT OF EDINBURGH NAPIER** **UNIVERSITY (CONT.)**

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

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

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

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

As required by auditing standards, and taking into account possible pressures to meet loan covenants and regulatory performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that research income is recorded in the wrong period and the risk that Group management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as pension assumptions

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group’s wide fraud risk management controls

We also performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting

documentation. These included unexpected journal combinations.

- Assessing significant accounting estimates for bias

#### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the University Court and other management (as required by auditing standards), and discussed with the University Court and other management the policies and procedures regarding compliance with laws and regulations.

As the University is regulated our assessment of risks involved gaining an understanding of the control environment including the entity’s procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, taxation legislation, pensions legislation, specific disclosures required by higher education legislation and regulation, charities legislation and related legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Group is subject to many other laws and regulations, we did not identify any others where the consequence of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have

## **INDEPENDENT AUDITOR'S REPORT TO UNIVERSITY COURT OF EDINBURGH NAPIER UNIVERSITY (CONT.)**

detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

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

### **Other information**

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

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

We are required to report to you if:

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

We have nothing to report in these respects.

### **Matters on which we are required to report by exception**

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

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

We have nothing to report in these respects.

### **The University Court's responsibilities**

As explained more fully in their statement set out on page 26, the University Court of Edinburgh Napier University is responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group and the University or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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

**INDEPENDENT AUDITOR'S REPORT TO UNIVERSITY COURT OF EDINBURGH NAPIER UNIVERSITY (CONT.)**

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**Report on other legal and regulatory matters**

We are required under the terms of our engagement to report on the following matters.

In our opinion, in all material respects:

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

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

This report is made solely to the University Court of Edinburgh Napier University, in accordance with schedule 1 of the Napier University (Scotland) Order of Council 1993, and in the University Court's role as charity trustees, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the University Court of Edinburgh Napier University those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University Court of Edinburgh Napier University, for our audit work, for this report, or for the opinions we have formed.



**Michael Wilkie (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*  
319 St Vincent St  
Glasgow  
G2 5AS

16 December 2021

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



# Edinburgh Napier University

## Consolidated and University Statement of Comprehensive Income and Expenditure Year to 31 July 2021

	Notes	Year Ended 31 July 2021 Consolidated £000	Year Ended 31 July 2021 University £000	Year Ended 31 July 2020 Consolidated £000	Year Ended 31 July 2020 University £000
<b>Income</b>					
Scottish Funding Council grants	2	66,293	66,293	59,950	59,950
Tuition fees and education contracts	3	51,770	39,932	51,032	39,003
Research grants and contracts	4	3,655	3,531	3,172	3,048
Other income	5	8,475	7,644	13,047	12,087
Investment income	6	193	163	363	324
Donations and endowments	7	690	5,176	52	5,154
<b>Total income</b>		<b>131,076</b>	<b>122,739</b>	<b>127,616</b>	<b>119,566</b>
<b>Expenditure</b>					
Staff costs	8	86,656	80,870	82,212	76,342
Restructuring costs		758	754	658	651
Other operating expenses		37,679	35,818	38,814	36,483
Depreciation	12	6,388	6,376	8,123	8,111
Interest and other finance costs	10	2,281	2,281	1,815	1,815
<b>Total expenditure</b>	9	<b>133,762</b>	<b>126,099</b>	<b>131,622</b>	<b>123,402</b>
<b>Deficit before other gains and losses</b>		<b>(2,686)</b>	<b>(3,360)</b>	<b>(4,006)</b>	<b>(3,836)</b>
Gain / (loss) on disposal of non-current assets		2,268	(13)	(27)	(20)
Gain / (loss) on investments		261	26	(244)	(45)
<b>Deficit before tax</b>		<b>(157)</b>	<b>(3,347)</b>	<b>(4,277)</b>	<b>(3,901)</b>
Taxation	11	(1,754)	(1,680)	(1,693)	(1,577)
<b>Deficit for the year</b>		<b>(1,911)</b>	<b>(5,027)</b>	<b>(5,970)</b>	<b>(5,478)</b>
Actuarial gain / (loss) in respect of pension schemes	19	28,705	28,705	(41,638)	(41,638)
<b>Total comprehensive income for the year</b>		<b>26,794</b>	<b>23,678</b>	<b>(47,608)</b>	<b>(47,116)</b>
Represented by:					
Endowment comprehensive income for the year		135	40	(76)	(36)
Restricted comprehensive income for the year		246	-	(381)	-
Unrestricted comprehensive income for the year		26,413	23,638	(47,151)	(47,080)
		<b>26,794</b>	<b>23,678</b>	<b>(47,608)</b>	<b>(47,116)</b>

The accompanying notes form part of the financial statements

**Edinburgh Napier University**  
**Consolidated and University Statement of Changes in Reserves**

**Year to 31 July 2021**

	Income and expenditure reserve			Revaluation Reserve	Total
	Endowment	Restricted	Unrestricted		
Consolidated	£000	£000	£000	£000	£000
<b>Balance at 1 August 2019</b>	<b>854</b>	<b>1,878</b>	<b>69,186</b>	<b>4,325</b>	<b>76,243</b>
Surplus / (deficit) from the income and expenditure statement	(76)	(381)	(5,513)	-	(5,970)
Other comprehensive income	-	-	(41,638)	-	(41,638)
<b>Total comprehensive income for the year</b>	<b>(76)</b>	<b>(381)</b>	<b>(47,151)</b>	<b>-</b>	<b>(47,608)</b>
<b>Balance at 1 August 2020</b>	<b>778</b>	<b>1,497</b>	<b>22,035</b>	<b>4,325</b>	<b>28,635</b>
Surplus / (deficit) from the income and expenditure statement	135	246	(2,292)	-	(1,911)
Other comprehensive income	-	-	28,705	-	28,705
<b>Total comprehensive income for the year</b>	<b>135</b>	<b>246</b>	<b>26,413</b>	<b>-</b>	<b>26,794</b>
<b>Balance at 31 July 2021</b>	<b>913</b>	<b>1,743</b>	<b>48,448</b>	<b>4,325</b>	<b>55,429</b>
<b>University</b>					
<b>Balance at 1 August 2019</b>	<b>318</b>	<b>-</b>	<b>63,646</b>	<b>4,325</b>	<b>68,289</b>
Surplus / (deficit) from the income and expenditure statement	(36)	-	(5,442)	-	(5,478)
Other comprehensive income	-	-	(41,638)	-	(41,638)
<b>Total comprehensive income for the year</b>	<b>(36)</b>	<b>-</b>	<b>(47,080)</b>	<b>-</b>	<b>(47,116)</b>
<b>Balance at 1 August 2020</b>	<b>282</b>	<b>-</b>	<b>16,566</b>	<b>4,325</b>	<b>21,173</b>
Surplus / (deficit) from the income and expenditure statement	40	-	(5,067)	-	(5,027)
Other comprehensive income	-	-	28,705	-	28,705
<b>Total comprehensive income for the year</b>	<b>40</b>	<b>-</b>	<b>23,638</b>	<b>-</b>	<b>23,678</b>
<b>Balance at 31 July 2021</b>	<b>322</b>	<b>-</b>	<b>40,204</b>	<b>4,325</b>	<b>44,851</b>

The accompanying notes form part of the financial statements

	Notes	As at 31 July 2021		As at 31 July 2020	
		Consolidated £000	University £000	Consolidated £000	University £000
<b>Non-current assets</b>					
Fixed assets	12	115,828	115,759	118,309	118,228
Investments	13	2,792	1,359	2,491	1,330
		-----	-----	-----	-----
		118,620	117,118	120,800	119,558
		-----	-----	-----	-----
<b>Current assets</b>					
Stock	14	16	16	-	-
Trade and other receivables	15	7,374	5,431	7,095	5,469
Cash and cash equivalents	23	54,706	53,364	35,211	34,078
		-----	-----	-----	-----
		62,096	58,811	42,306	39,547
Less: creditors falling due within one year	16	(31,567)	(37,358)	(20,754)	(24,215)
		-----	-----	-----	-----
<b>Net current assets</b>		30,529	21,453	21,552	15,332
		-----	-----	-----	-----
<b>Total assets less current liabilities</b>		149,149	138,571	142,352	134,890
Less: creditors falling due after more than one year	17	(10,021)	(10,021)	(10,250)	(10,250)
<b>Provisions</b>					
Pensions provision	18	(83,699)	(83,699)	(103,467)	(103,467)
		-----	-----	-----	-----
<b>Total net assets</b>		<b>55,429</b>	<b>44,851</b>	<b>28,635</b>	<b>21,173</b>
		=====	=====	=====	=====
<b>Restricted reserves</b>					
Income and expenditure reserve – endowment reserve	20	913	322	778	282
Income and expenditure reserve – restricted reserve	21	1,743	-	1,497	-
<b>Unrestricted reserves</b>					
Income and expenditure reserve – unrestricted reserve		48,448	40,204	22,035	16,566
Revaluation reserve		4,325	4,325	4,325	4,325
		-----	-----	-----	-----
<b>Total reserves</b>		<b>55,429</b>	<b>44,851</b>	<b>28,635</b>	<b>21,173</b>
		=====	=====	=====	=====

The accompanying notes form part of the financial statements

The financial statements were approved by the University Court on 13 December 2021 and signed on its behalf by:



Ms June Boyle, Chair



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

**Edinburgh Napier University**  
**Consolidated Statement of Cash Flows**

**Year to 31 July 2021**

	31 July 2021 £000	31 July 2020 £000
<b>Cash flow from operating activities</b>		
Deficit for the year before tax	(157)	(4,277)
<b>Adjustment for non-cash items</b>		
Depreciation	6,388	8,123
(Gain) / loss on valuation of investments	(261)	244
(Increase) / decrease in stock	(16)	52
(Increase) / decrease in debtors	(279)	2,606
Increase in creditors	7,893	1,661
(Increase) / decrease in pensions provision	8,937	4,106
<b>Adjustment for investing or financing activities</b>		
Investment income	(193)	(363)
Interest payable	770	772
(Gain) / loss on disposal of non-current assets	(2,268)	27
Capital grant income	(1,335)	(993)
	-----	-----
<b>Cash inflow from operating activities</b>	<b>19,479</b>	<b>11,958</b>
Taxation	(1,754)	(1,693)
	-----	-----
<b>Net cash inflow from operating activities</b>	<b>17,725</b>	<b>10,265</b>
	=====	=====
<b>Cash flows from investing activities</b>		
Proceeds from disposal of tangible assets	42	68
Proceeds from disposal of non-current asset investments	2,783	285
Proceeds from disposal of current asset investments	-	272
Capital grant receipts	1,335	993
Investment income	193	363
Payments made to acquire fixed assets	(1,028)	(2,369)
Payments made to acquire non-current asset investments	(556)	(350)
	-----	-----
<b>Net cash inflow / (outflow) from investing activities</b>	<b>2,769</b>	<b>(738)</b>
	=====	=====
<b>Cash flows from financing activities</b>		
Interest paid	(770)	(772)
Repayments of amounts borrowed	(229)	(227)
	-----	-----
<b>Net cash outflow from financing activities</b>	<b>(999)</b>	<b>(999)</b>
	=====	=====
<b>Increase in cash and cash equivalents in the year</b>	<b>19,495</b>	<b>8,528</b>
	=====	=====
Cash and cash equivalents at the beginning of the year	<b>35,211</b>	<b>26,683</b>
Cash and cash equivalents at the end of the year	<b>54,706</b>	<b>35,211</b>

**The accompanying notes form part of the financial statements**

# Edinburgh Napier University

## Notes to the 2020/21 Financial Statements

### 1. Principal Accounting Policies

#### Basis of preparation

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

#### Going concern

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

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

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

The 2021-22 budget has been prepared and shows an operating surplus of £4.2m. The budget illustrates that the University will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval

of the financial statements (the going concern assessment period).

The University has a revolving credit facility of up to £40 million, which was unused at 31 July 2021 and is not forecast to be utilised during 2021-22.

There is also a drawdown loan facility of £10m with covenants in place. The University Court does not anticipate any breaches of these covenants over the going concern assessment period.

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

#### Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2021. Intra-group transactions are eliminated on consolidation.

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

#### Recognition of income

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

Tuition fee income is stated gross and credited to the Consolidated Statement of Comprehensive Income and Expenditure when the University is entitled to the income. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

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

# Edinburgh Napier University

## Notes to the 2020/21 Financial Statements

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

### **a) Grant funding**

Government revenue grants and research grants from government sources are recognised in income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year, as appropriate.

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

### **b) Donations and endowments**

Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

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

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

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

1. Restricted donations – the donor has specified that the donation must be used for a particular objective.
2. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
3. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University has the power to use the capital.
4. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

### **c) Capital grants**

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

### **Accounting for retirement benefits**

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

Contributions to the STSS are charged to the income and expenditure so as to spread the cost of pensions over the period during which the University benefits from the employee's services. Variations from regular cost are spread over the expected average remaining working lifetime of members of the scheme after making allowances for future withdrawals.

# Edinburgh Napier University

## Notes to the 2020/21 Financial Statements

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

In the LGPS scheme the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The University will recognise a liability for its obligations under the defined benefit scheme net of scheme assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of scheme assets. The calculation is performed by a qualified actuary using the projected unit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

### **Employment benefits**

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

### **Finance leases**

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

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

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

### **Service Concession Arrangements**

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

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

### **Operating leases**

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

### **Foreign currency**

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

### **Fixed assets**

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

# Edinburgh Napier University

## Notes to the 2020/21 Financial Statements

### a) Land and Buildings

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

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

Buildings are depreciated over their expected useful life of 50 years. Certain items of infrastructure, including wiring and heating installations are depreciated over their expected useful life of 25 years.

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

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

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

### b) Vehicles and equipment

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

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

### Investments

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

### Stock

Stock is held at the lower of cost and net realisable value. No account is taken of stock held in academic or professional service departments.

### Cash and cash equivalents

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

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

### Provisions

Provisions are recognised in the financial statements when the University has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

### Taxation

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



# **Edinburgh Napier University**

## **Notes to the 2020/21 Financial Statements**

1988 or sections 478 to 488 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

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

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

### **Reserves**

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

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

### **Estimation techniques**

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

**Edinburgh Napier University**  
**Notes to the 2020/21 Financial Statements**

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
<b>2. Scottish Funding Council grants</b>				
Recurrent teaching grant	54,968	54,968	50,829	50,829
Research grant	2,843	2,843	2,309	2,309
Capital grants	1,335	1,335	993	993
Other grants	7,147	7,147	5,819	5,819
	-----	-----	-----	-----
	<b>66,293</b>	<b>66,293</b>	<b>59,950</b>	<b>59,950</b>
	=====	=====	=====	=====
<b>3. Tuition fees and education contracts</b>				
Scotland and EU fees	17,834	17,834	17,177	17,177
Other UK fees	4,380	4,380	3,974	3,974
Non-EU fees	25,800	17,718	26,290	17,852
Non-credit bearing course fees	3,756	-	3,591	-
	-----	-----	-----	-----
	<b>51,770</b>	<b>39,932</b>	<b>51,032</b>	<b>39,003</b>
	=====	=====	=====	=====
<b>4. Research grants and contracts</b>				
Research councils and charities	1,001	1,001	953	953
Industry and commerce	344	344	438	314
Government	927	927	858	858
Other	1,383	1,259	923	923
	-----	-----	-----	-----
	<b>3,655</b>	<b>3,531</b>	<b>3,172</b>	<b>3,048</b>
	=====	=====	=====	=====
<b>5. Other income</b>				
Residences, catering and conferences	4,083	4,083	8,158	8,158
Job retention scheme ('furlough') grant	552	552	303	303
Other income	3,840	3,009	4,586	3,626
	-----	-----	-----	-----
	<b>8,475</b>	<b>7,644</b>	<b>13,047</b>	<b>12,087</b>
	=====	=====	=====	=====
<b>6. Investment income</b>				
Investment income from endowments	8	8	10	10
Other investment income	185	155	353	314
	-----	-----	-----	-----
	<b>193</b>	<b>163</b>	<b>363</b>	<b>324</b>
	=====	=====	=====	=====

**Edinburgh Napier University**  
**Notes to the 2020/21 Financial Statements**

7. Donations and endowments	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £000	University £000	Consolidated £000	University £000
Restricted donations	484	-	32	-
Unrestricted donations	206	5,176	20	5,154
	-----	-----	-----	-----
	<b>690</b>	<b>5,176</b>	<b>52</b>	<b>5,154</b>
	=====	=====	=====	=====

**8. Staff costs**

Salaries	60,515	55,772	60,675	55,869
Social security costs	6,181	5,823	6,235	5,847
Other pension costs (note 19)	19,960	19,275	15,302	14,626
	-----	-----	-----	-----
	<b>86,656</b>	<b>80,870</b>	<b>82,212</b>	<b>76,342</b>
	=====	=====	=====	=====

Emoluments of the Vice-Chancellor:	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Salary	209	210
Payments in lieu of pension contributions	42	40
	-----	-----
	<b>251</b>	<b>250</b>
	=====	=====

The remuneration of the Vice-Chancellor is 5.5 times the median remuneration of all other staff.

The number of other higher paid staff who received emoluments, excluding national insurance and pension contributions, but including payments in lieu of pension contributions, in the following ranges was:

	2021 number	2020 number
£100,000 - £109,999	4	3
£110,000 - £119,999	2	3
£120,000 - £129,999	1	1
£140,000 - £149,999	2	4
£150,000 - £159,999	1	-
£170,000 - £179,999	-	1

**Edinburgh Napier University**  
**Notes to the 2020/21 Financial Statements**

**8. Staff costs (cont.)**

	<b>2021 number</b>	<b>2020 number</b>
The average number of staff by major category was:		
Academic departments	753	759
Academic services	259	256
Central administration	239	237
Other	137	148
	-----	-----
	<b>1,388</b>	<b>1,400</b>
	=====	=====

	<b>£000</b>	<b>£000</b>
<b>Compensation for loss of office paid to former senior post-holders</b>		
Compensation paid to one (2020: one) former senior post-holder	<b>30</b>	<b>109</b>
	=====	=====

**Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel. The University's key management personnel are the members of the University Leadership Team.

<b>Key management personnel compensation</b>	<b>1,039</b>	<b>1,268</b>
	=====	=====

**Edinburgh Napier University**  
**Notes to the 2020/21 Financial Statements**

9. Analysis of expenditure by activity	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £000	University £000	Consolidated £000	University £000
Academic departments	46,576	46,576	47,800	47,800
Academic services	25,000	25,000	26,211	26,211
Central administration	19,086	19,086	17,563	17,563
Property	10,230	10,230	10,878	10,878
Research grants and contracts	6,157	6,157	5,188	5,188
Residences and catering	8,653	8,653	9,231	9,231
Napier University Ventures Ltd	7,325	-	7,817	-
Other expenditure	10,735	10,397	6,934	6,531
	-----	-----	-----	-----
	<b>133,762</b>	<b>126,099</b>	<b>131,622</b>	<b>123,402</b>
	=====	=====	=====	=====

Other operating expenses includes:

External auditor – audit services	90	84	86	80
External auditor – other services	112	112	61	58
Internal auditor – audit services	82	82	63	63
Operating lease rentals - buildings	5,845	5,845	5,780	5,778
Operating lease rentals - vehicles	10	10	25	25
	-----	-----	-----	-----
	<b>6,139</b>	<b>6,133</b>	<b>6,015</b>	<b>6,004</b>
	=====	=====	=====	=====

**10. Interest and other finance costs**

Loans interest	580	580	582	582
Non-utilisation costs	190	190	190	190
Net charge on pension scheme (note 19)	1,511	1,511	1,043	1,043
	-----	-----	-----	-----
	<b>2,281</b>	<b>2,281</b>	<b>1,815</b>	<b>1,815</b>
	=====	=====	=====	=====

**11. Taxation**

Corporate tax on overseas activities	<b>1,754</b>	<b>1,680</b>	<b>1,693</b>	<b>1,577</b>
	=====	=====	=====	=====

**Edinburgh Napier University**  
**Notes to the 2020/21 Financial Statements**

12. Fixed assets - Consolidated	Assets under construction £000	Land and buildings £000	Vehicles and equipment £000	Total £000
<b>Cost or valuation</b>				
At 1 August 2020	157	149,451	28,933	178,541
Additions	1,653	85	2,212	3,950
Transfers	(157)	157	-	-
Disposals	-	-	(3,803)	(3,803)
	-----	-----	-----	-----
At 31 July 2021	1,653	149,693	27,342	178,688
	=====	=====	=====	=====
<b>Depreciation</b>				
At 1 August 2020	-	40,886	19,346	60,232
Charge for the year	-	3,723	2,665	6,388
Disposals	-	-	(3,760)	(3,760)
	-----	-----	-----	-----
At 31 July 2021	-	44,609	18,251	62,860
	=====	=====	=====	=====
<b>Net book value at 31 July 2021</b>	<b>1,653</b>	<b>105,084</b>	<b>9,091</b>	<b>115,828</b>
	=====	=====	=====	=====
<b>Net book value at 31 July 2020</b>	<b>157</b>	<b>108,565</b>	<b>9,587</b>	<b>118,309</b>
	=====	=====	=====	=====
<b>Fixed assets – University</b>				
<b>Cost or valuation</b>				
At 1 August 2020	157	149,451	28,771	178,379
Additions	1,653	85	2,212	3,950
Disposals	(157)	157	-	-
	-	-	(3,803)	(3,803)
	-----	-----	-----	-----
At 31 July 2021	1,653	149,693	27,180	178,526
	=====	=====	=====	=====
<b>Depreciation</b>				
At 1 August 2020	-	40,886	19,265	60,151
Charge for the year	-	3,723	2,653	6,376
Disposals	-	-	(3,760)	(3,760)
	-	-	-	-
	-----	-----	-----	-----
At 31 July 2021	-	44,609	18,158	62,767
	=====	=====	=====	=====
<b>Net book value at 31 July 2021</b>	<b>1,653</b>	<b>105,084</b>	<b>9,022</b>	<b>115,759</b>
	=====	=====	=====	=====
<b>Net book value at 31 July 2020</b>	<b>157</b>	<b>108,565</b>	<b>9,506</b>	<b>118,228</b>
	=====	=====	=====	=====

**Edinburgh Napier University**  
**Notes to the 2020/21 Financial Statements**

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £000	University £000	Consolidated £000	University £000
<b>13. Non-current investments</b>				
At 1 August	2,491	1,330	2,683	1,394
Additions	556	44	350	61
Disposals	(518)	(41)	(286)	(68)
Appreciation / (diminution) of investments	263	26	(256)	(57)
	-----	-----	-----	-----
<b>At 31 July</b>	<b>2,792</b>	<b>1,359</b>	<b>2,491</b>	<b>1,330</b>
	=====	=====	=====	=====
<b>14. Stock</b>				
Stock for resale	16	16	-	-
	=====	=====	=====	=====
<b>15. Trade and other receivables</b>				
Trade receivables	3,165	1,570	3,383	2,284
Prepayments and accrued income	3,244	2,943	3,229	2,795
Other receivables	489	442	260	167
Research grants receivable	476	476	223	223
	-----	-----	-----	-----
	<b>7,374</b>	<b>5,431</b>	<b>7,095</b>	<b>5,469</b>
	=====	=====	=====	=====
<b>16. Creditors: amounts falling due within one year</b>				
Trade payables	5,254	5,254	2,111	2,111
Taxation and social security	1,919	1,919	1,682	1,682
Other payables	2,301	2,189	2,502	2,406
Accruals and deferred income	19,443	18,594	12,434	11,921
Research grants received on account	2,421	2,421	1,796	1,796
Loans from Scottish Funding Council	21	21	21	21
Other loans	208	208	208	208
Amounts owed to subsidiary undertakings	-	6,752	-	4,070
	-----	-----	-----	-----
	<b>31,567</b>	<b>37,358</b>	<b>20,754</b>	<b>24,215</b>
	=====	=====	=====	=====

# Edinburgh Napier University

## Notes to the 2020/21 Financial Statements

17. Creditors: amounts falling due after more than one year	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £000	University £000	Consolidated £000	University £000
Unsecured loan repayable by 2039	10,000	10,000	10,000	10,000
Loans from Scottish Funding Council	21	21	42	42
Other loans	-	-	208	208
	-----	-----	-----	-----
	<b>10,021</b>	<b>10,021</b>	<b>10,250</b>	<b>10,250</b>
	=====	=====	=====	=====

The University has an unsecured loan from Barclays Bank plc repayable by 2039. Interest is fixed at a rate of 5.80%.

The University has an unsecured revolving credit facility from Bank of Scotland plc which may be converted into a Term Loan in July 2022. The Term Loan will be repayable in July 2027. To date, none of this facility has been used.

Loans from the Scottish Funding Council (SFC) are unsecured and interest-free, offered under the SFC's University Carbon Reduction Programme. The loans are repayable in line with the forecast energy savings which will benefit the University through the delivery of solar panels and LED lighting. The loan in relation to solar panels has now been fully repaid.

18. Provisions – Consolidated and University	Unfunded pensions £000	Defined benefit obligations £000	Total £000
At 1 August 2020	12,915	90,552	103,467
Income from investments	23	-	23
Early retirement pensions	(921)	-	(921)
Transfer from income and expenditure account	434	(19,304)	(18,870)
	-----	-----	-----
<b>At 31 July 2021</b>	<b>12,451</b>	<b>71,248</b>	<b>83,699</b>
	=====	=====	=====

### Unfunded pensions

A valuation of the unfunded pension liability was carried out at 31 July 2021, by Mercer Limited, an independent firm of actuaries.

### Defined benefit obligations

A valuation of the defined benefit obligations was carried out at 31 July 2021 by Hymans Robertson, an independent firm of actuaries (see note 19).



# Edinburgh Napier University

## Notes to the 2020/21 Financial Statements

### 19. Pension schemes

There are two pension schemes operated for University staff. These are the Scottish Teachers Superannuation Scheme (STSS) and the Local Government Pension Scheme (LGPS). The total pension cost for the year was £19,960,000 (2020 - £15,302,000)

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Total pension costs for the year (note 8)</b>		
STSS – contributions paid	6,177	6,278
LGPS – charge to the income and expenditure account	13,783	9,024
	-----	-----
	<b>19,960</b>	<b>15,302</b>
	=====	=====

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

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

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

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

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

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

# Edinburgh Napier University

## Notes to the 2020/21 Financial Statements

### 19. Pension schemes (cont.)

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

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

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

As a result of change in advisors, the University's methodology used to derive the CPI assumption has changed. The market-implied RPI assumption (from which the CPI assumption is derived) is 5bps lower than it would have been using the previous methodology. The impact of this change in approach when setting the CPI assumption is a reduction of approximately £3.5m in the defined benefit obligation.

The University has also updated its approach to setting its CPI inflation assumption in light of the RPI reform joint consultation response published on the 25th November 2020 by the UK Government and the UK Statistics Authority. The University has proposed reducing the long term gap between RPI and CPI, resulting in an increase in the CPI assumption of 20 basis points compared with the prior year. The impact of this change in approach is an increase of approximately £14.1m in the defined benefit obligation.

The market value of the assets at the valuation date was £7,479m. The past service liabilities of the scheme have been valued at £7,071m resulting in a surplus of £408m, which is an improvement on the 2017 deficit of £145m. The 2020 valuation represents a funding level of 106%. For the year ended on 31 March 2021 employer contributions were 20.2% of pensionable pay plus a fixed sum of £166,000. Future employer contributions are expected to be:

Year ended: 31 March 2022 20.8% of pensionable pay

The following information is based upon the full actuarial valuation of the fund at 31 March 2020, updated to 31 July 2021 by a qualified independent actuary.

	July 2021	July 2020	July 2019
Rate of increase in salaries	3.2%	3.9%	4.3%
Rate of increase in pensions	2.7%	2.2%	2.2%
Discount rate	1.6%	1.6%	2.2%
Inflation rate	2.7%	2.2%	2.2%

The University has updated the mortality base table assumptions as at 31 July 2021 following analysis undertaken by the Fund Actuary for the Fund valuation as at 31 March 2020. Life expectancy is based on the Fund's VitaCurves (2020: based on the Fund's VitaCurves) with improvements in line with the CMI 2020 model (2020: CMI 2019 model), standard smoothing (Sk7) (2020: smoothing parameter of 7.5), initial adjustment of 0.5% (2020: default initial addition) and a long term rate of improvement of 1.5% p.a. (2020: 1.25% p.a.)

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

	2021		2020	
	males	females	males	females
Current pensioners	20.5 years	23.3 years	20.1 years	23.1 years
Future pensioners	21.9 years	25.2 years	21.5 years	24.7 years

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

# Edinburgh Napier University

## Notes to the 2020/21 Financial Statements

### 19. Pension schemes (cont.)

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

	July 2021 Fair value £000	July 2020 Fair value £000	July 2019 Fair value £000
Equities	185,082	169,649	172,194
Bonds	35,988	24,555	27,924
Property	15,424	15,626	16,289
Cash	20,565	13,393	16,289
	-----	-----	-----
Fair value of assets	257,059	223,223	232,696
Present value of scheme liabilities	(328,307)	(313,775)	(277,182)
	-----	-----	-----
<b>Net pension deficit</b>	<b>(71,248)</b>	<b>(90,552)</b>	<b>(44,486)</b>
	=====	=====	=====

The following amounts at 31 July were measured in accordance with the requirements of FRS102:

	2021 £000	2020 £000
<b>Analysis of the amount shown in the Balance Sheet</b>		
The University's estimated assets share	257,059	223,223
Present value of the University's scheme liabilities	(328,307)	(313,775)
	-----	-----
<b>Deficit in the scheme</b>	<b>(71,248)</b>	<b>(90,552)</b>
	=====	=====

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

Current service cost	(13,689)	(11,437)
Past service (cost) / gain (including curtailments)	(94)	2,413
	-----	-----
<b>Net charge</b>	<b>(13,783)</b>	<b>(9,024)</b>
	=====	=====

### **Analysis of the amount charged to interest and other finance costs (note 10) within the Consolidated Statement of Comprehensive Income and Expenditure**

Interest income on plan assets	3,587	5,149
Interest cost on defined benefit obligation	(5,098)	(6,192)
	-----	-----
<b>Net charge</b>	<b>(1,511)</b>	<b>(1,043)</b>
	=====	=====

**Edinburgh Napier University**  
**Notes to the 2020/21 Financial Statements**

**19. Pension schemes (cont.)**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Analysis of movements in the present value of scheme liabilities</b>		
Balance at 1 August	313,775	277,182
Current service cost	13,689	11,437
Employee contributions	1,794	1,780
Past service cost (including curtailments)	94	(2,413)
Benefits paid	(5,392)	(4,661)
Interest costs	5,098	6,192
Other experience	(26,620)	(943)
Changes in financial assumptions	26,558	38,977
Changes in demographic assumptions	(689)	(13,776)
	-----	-----
<b>Balance at 31 July</b>	<b>328,307</b>	<b>313,775</b>
	=====	=====

**Analysis of movements in the fair value of scheme assets**

Balance at 1 August	223,223	232,696
Employee contributions	1,794	1,780
Employer contributions	5,893	5,637
Benefits paid	(5,392)	(4,659)
Expected return on assets	3,587	5,149
Other experience	(3,788)	-
Return on assets excluding amounts included in net interest	31,742	(17,380)
	-----	-----
	<b>257,059</b>	<b>223,223</b>
	=====	=====

**Actuarial gain / (loss) recognised in the Consolidated Statement of Comprehensive Income and Expenditure**

Return on scheme assets	31,742	(17,380)
Changes in financial assumptions	(26,558)	(38,977)
Changes in demographic assumptions	689	13,776
Other experience	22,832	943
	-----	-----
<b>Net loss</b>	<b>28,705</b>	<b>(41,638)</b>
	=====	=====

**History of experience gains and losses**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Difference between the expected and actual return on scheme assets	27,954	(17,380)	13,212	2,503	17,247
% of scheme assets	10.9%	7.8%	5.7%	1.2%	8.6%
Experience gain / (loss) on scheme liabilities	(751)	(24,258)	(22,918)	15,844	(6,847)
% of the present value of the scheme liabilities	0.2%	7.7%	8.3%	6.7%	2.9%

**Edinburgh Napier University**  
**Notes to the 2020/21 Financial Statements**

<b>20. Endowment reserve</b>	<b>Restricted permanent £000</b>	<b>Restricted expendable £000</b>	<b>2021 Total £000</b>	<b>2020 Total £000</b>
<b>At 1 August</b>				
Capital	696	7	703	775
Accumulated income	75	-	75	79
	-----	-----	-----	-----
	771	7	778	854
Increase / (decrease) in market value of investments	138	-	138	(72)
Investment income	8	-	8	10
Expenditure for the year	(4)	(7)	(11)	(14)
	-----	-----	-----	-----
Total endowment comprehensive income / (expenditure) for the year	142	(7)	135	(76)
	-----	-----	-----	-----
<b>At 31 July</b>	<b>913</b>	<b>-</b>	<b>913</b>	<b>778</b>
	=====	=====	=====	=====
Represented by:				
Capital	834	-	834	703
Accumulated income	79	-	79	75
	-----	-----	-----	-----
	<b>913</b>	<b>-</b>	<b>913</b>	<b>778</b>
	=====	=====	=====	=====

**21. Restricted reserve**

<b>At 1 August</b>	1,497	1,878
	-----	-----
New donations	484	199
Increase / (decrease) in market value of investments	140	(59)
Investment income	28	35
Expenditure	(406)	(556)
	-----	-----
Total restricted comprehensive income / (expenditure) for the year	246	(381)
	-----	-----
<b>At 31 July</b>	<b>1,743</b>	<b>1,497</b>
	=====	=====

# Edinburgh Napier University

## Notes to the 2020/21 Financial Statements

### 22. Subsidiary undertakings

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

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

<b>23. Cash and cash equivalents</b>	<b>At 1 August 2020 £000</b>	<b>Cash flows £000</b>	<b>At 31 July 2021 £000</b>
Consolidated cash and cash equivalents	<b>35,211</b>	<b>19,495</b>	<b>54,706</b>
	=====	=====	=====

### 24. Capital commitments

As at 31 July 2021 the University and its consolidated subsidiaries had contracted commitments amounting to £1,706,452 (2020 - £1,328,781).

<b>25. Lease obligations</b>	<b>Buildings £000</b>	<b>Vehicles and equipment £000</b>	<b>2021 £000</b>	<b>2020 £000</b>
<b>Future minimum lease payments due:</b>				
Not later than 1 year	5,733	581	6,314	6,281
Later than 1 year and not later than 5 years	23,963	334	24,297	24,339
Later than 5 years	61,885	-	61,885	71,732
	-----	-----	-----	-----
	<b>91,581</b>	<b>915</b>	<b>92,496</b>	<b>102,352</b>
	=====	=====	=====	=====

**Edinburgh Napier University**  
**Notes to the 2020/21 Financial Statements**

**26. Discretionary, childcare and midwifery funds**

	<b>Discretionary</b>	<b>Childcare</b>	<b>Midwifery</b>	<b>All Funds</b>	<b>All Funds</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 1 August	608	-	-	608	-
Grants received	1,721	195	87	2,003	1,458
Transfer between funds	86	(86)	-	-	-
	-----	-----	-----	-----	-----
	2,415	109	87	2,611	
Disbursed to students	(1,771)	(109)	(87)	(1,967)	(850)
	-----	-----	-----	-----	-----
Balance at 31 July	<b>644</b>	-	-	<b>644</b>	<b>608</b>
	=====	=====	=====	=====	=====

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

**27. Related party transactions**

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

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

# Edinburgh Napier University

## Notes to the 2020/21 Financial Statements

### 27. US Department of Education Financial Responsibility Supplemental Schedule

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

The amounts presented within the schedules have been:

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

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

#### Primary Reserve Ratio

Page	Related disclosures	Description	Year ended 31 July 2021		Year ended 31 July 2020	
			£000	£000	£000	£000
		<b>Expendable net assets</b>				
33	Unrestricted reserves	Net assets without donor restrictions		52,773		26,360
33	Restricted reserves	Net assets with donor restrictions		2,656		2,275
n/a	n/a	Secured and unsecured related party receivable	-		-	
n/a	n/a	Unsecured related party receivable		-		-
33	Fixed assets	PPE, net	(115,828)		(118,309)	
44	Balance of pre-implementation assets still held	PPE – pre-implementation		(110,714)		(116,559)
n/a	n/a	PPE – post-implementation with outstanding debt		-		-
44	19/20 and 20/21 additions and related depreciation	PPE – post-implementation without outstanding debt		(5,144)		(1,750)
n/a	n/a	CIP		-		-
n/a	n/a	Lease right-of-use asset, net	-		-	
n/a	n/a	Lease right-of-use asset, pre-implementation		-		-
n/a	n/a	Lease right-of-use asset, post-implementation		-		-



## Edinburgh Napier University

n/a	n/a	Intangible asset	-	-
33	Pensions provision	Post-employment and pension liabilities	83,699	103,467
45 - 46	Note 17 and 'loans' from note 16	Long term debt for long term purposes	10,250	10,479
45 - 46	Note 17 and 'loans' from note 16	Long term debt for long term purposes, pre-implementation	10,250	10,479
n/a	n/a	Long term debt for long term purposes, post-implementation	-	-
n/a	n/a	Line of credit for CIP	-	-
n/a	n/a	Lease right-of-use asset liability	-	-
n/a	n/a	Pre-implementation right-of-use leases	-	-
n/a	n/a	Post-implementation right-of-use leases	-	-
n/a	n/a	Annuities with donor restrictions	-	-
51	Restricted expendable capital at 31 July	Term endowments with donor restrictions	-	(7)
n/a	n/a	Life income funds with donor restrictions	-	-
51	Restricted permanent capital at 31 July	Net assets with donor restrictions: restricted in perpetuity	(834)	(696)
		<b>Total</b>	<b>32,716</b>	<b>23,569</b>
		<b>Total expenses and losses</b>		
31, 46, 50, 51	Total expenses. less pension adjustments, less endowment and restricted expenses	Total expenses without donor restrictions	123,510	126,010
31, 46, 50, 51	See lines below	Non-operating and net investment loss	(18,855)	46,793
31, 51	Gain / loss on investments, less restricted gain / loss	Net investment losses	(15)	(113)
31, 46, 50	Actuarial gain / loss, plus unfunded pension provision transfer, plus pension interest and staff cost adjustment	Pension-related changes other than net periodic costs	18,870	(46,680)
		<b>Total</b>	<b>123,510</b>	<b>126,010</b>

**Edinburgh Napier University**  
**Notes to the 2020/21 Financial Statements**

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

**Equity Ratio**

			Year ended 31 July 2021	Year ended 31 July 2020
Page	Related disclosures	Description	£000	£000
<b>Modified net assets</b>				
33	Unrestricted reserves	Net assets without donor restrictions	52,773	26,360
33	Restricted reserves	Net assets with donor restrictions	2,656	2,275
n/a	n/a	Intangible assets	-	-
n/a	n/a	Secured and unsecured related party receivables	-	-
n/a	n/a	Unsecured related party receivables	-	-
		<b>Total</b>	<b>55,429</b>	<b>28,635</b>
<b>Modified assets</b>				
33	Non-current assets + current assets	Total assets	180,716	163,106
n/a	n/a	Lease right-of-use asset pre-implementation	-	-
n/a	n/a	Pre-implementation right-of-use leases	-	-
n/a	n/a	Intangible assets	-	-
n/a	n/a	Secured and unsecured related party receivable	-	-
n/a	n/a	Unsecured related party receivables	-	-
		<b>Total</b>	<b>180,716</b>	<b>163,106</b>

**Net Income Ratio**

			Year ended 31 July 2021	Year ended 31 July 2020
Page	Related disclosures	Description	£000	£000
32	Total comprehensive income, unrestricted	Change in net assets without donor restrictions	26,413	(47,151)
31, 51	Total income, plus gain / loss on disposal of non-current assets, less restricted and endowment income	Total revenues and gains without donor restrictions	132,822	127,345