

# REPORT AND FINANCIAL STATEMENTS

# 31 MARCH 2020

Registered Number: SC103046 Charity Number: SC003712

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At the beginning of 2020, we were delighted to announce a new partnership with ADAS, which gives agri-business across the UK greater access to the latest independent advice backed by worldleading research and innovation.

During the year a highly competitive search was undertaken for new non-executive board members and three outstanding new members were appointed: Annette Bruton, Margaret Khnichich and Ema Murray, bringing considerable new expertise in Public and Private sector leadership and extensive knowledge of the Further Education sector.

We are making great progress on achieving Degree Awarding Powers with SRUC receiving the highest possible ranking in the recent Enhancement-led Institutional Review (ELIR) evaluation. Obtaining degree-awarding powers (DAP) is central to our ambition to gain University status and is an institution-wide priority, fundamental to our ambition, relevance and most importantly, purpose.

Covid-



The directors present the Strategic Report of SRUC for the year ended 31 March 2020. The aim of the Strategic Report is to provide stakeholders with the ability to assess how the directors have performed their duty to promote the success of SRUC.

The format of the financial statements is in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS 102). SRUC is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102.



Support - we look beyond the boundary of our own



and Development Roadmap makes repeated reference to the levelling up agenda. This increased focus on regional inequality means there will be greater opportunities for regional partnerships to be pursued.

place based economic geography approach.

Brexit and the removal of CAP will require the introductions of new policies to support land use, agriculture and food production. The UK and Scottish commitment to net zero carbon emissions will require considerable input into evidence synthesis to support new policy interventions. An emphasis on public money for public goods will require monitoring systems where tools such as AgreCalc will be in demand to support positive Registered No: SC103046



The directors present their report for the year ended 31 March 2020

Non-Executive Directors are appointed for a term of up to three years. They are eligible for reappointment for one further term. The Board reviews appointments on an annual basis and appointments do not necessarily run to the full term. The Chair is appointed for a period of three years and may be appointed for a further consecutive period of three years. Staff members are elected for a term of three years and can choose to run for re-election for one further three year term. Union representatives are appointed for a term of three years and can be nominated by the relevant Trades Union for one further three year term. Students are appointed for one year - i.e. the length of their elected office.

The Executive Leadership Team (ELT) is responsible for the day to day management and currently consists of:

Principal and Chief Executive	Professor Wayne Powell
Academic Director	Professor Jamie Newbold
Director of Commercialisation and Innovation	Colin MacEwan
Director of Finance	Hugh Anderson
Director of Marketing, Digital and Communications	Caroline Bysh
Director of Policy Engagement	Professor Sarah Skerratt (until 31 January 2020)



period 1 April 2019 to 31 March 2020 are set out below. The number in brackets represents the number of



year to keep students updated through the Class Representative network. SRUCSA also uses email and social media to provide a variety of media for students to be updated and comment of the work of SRUCSA and their learning experience at SRUC.

MySRUC, a free app for students, is used to promote

learning platform, Moodle, is used to keep students informed, as well as to promote surveys and student voice mechanisms.

ions team works with senior management and SRUCSA to update students on things such as any changes to term times and teaching arrangements, something particularly important during the Covid-19 pandemic.

#### Corporate Social Responsibility Policy

Corporate social responsibility (CSR) represents a commitment by SRUC to behave fairly and responsibly, sustain economic development while improving the quality of life for staff as well as contributing to local communities and society. SRUC recognises that social, economic and environmental responsibilities to stakeholders in the land-based

values and business success.

land-based industries is at the heart of its CSR policy. SRUC aims to improve the competitiveness of the land-based sector and thereby enhance livelihoods. We are reducing our greenhouse gas emissions by introducing energy efficiency measures and adopting procurement policies that favour sustainably-

produced goods. Whenever feasible, SRUC promotes0 g0 G(ro)-3(d)-4(u)-4(ce)5(d)-4()-74(goo)-4(d)-4(s)-6(.)-75(Wh)-6(e)4(n)-4(s)-6(c)-4(s)



SRUC believes that excellence will be achieved through recognising the value of every individual. We aim to create an environment that respects the diversity of employees and enables them to achieve their full potential, to contribute fully, and to derive maximum benefit and enjoyment from their involvement in the business life of SRUC.

#### Union representation

During the year ended 31 March 2020 SRUC employed 7 staff who were relevant union officials which equated to 5.8 full time employees. They all spent between one and sixty four percent of their hours on facility time. The cost of this facility time was £43,308 which equalled 24% of the total relevant pay bill.

#### Modern Savery Act 2015

In line with the provisions of the Modern Savery Act 2015 (the Act) SRUC has a zero tolerance policy towards slavery and human trafficking and we are fully committed to ensuring there are no instances of modern slavery or human trafficking within our organisation, or within our supply chains.

SRUC has a permanent presence in Scotland and carries out some activities in other countries, principally in England, the rest of Europe and in Africa. Our business is conducted under the names of SRUC, SAC Commercial Limited and SAC Consulting and this statement covers all our activity.

During 2019/2020 we assessed the risk of Modern

and the rest of the UK, and concluded that the risk is low. However, we recognise the potential risks linked to the extended and indirect supply chain of goods and services generated by the global economy and have therefore formally adopted

Code of Conduct. The Code of Conduct applies to all regulated procurement processes (and when deemed appropriate to those below this threshold), and details

social responsibility and sustainability across each identifiable supply chain. All tenderers are required, as a c

principles which includes a pledge that each party shall:

For SRUC, such risks are reduced as an ever increasing proportion of these goods and services are sourced through collaborative contracts let by Advanced Procurement of Universities and Colleges (APUC), the Scottish Government, and other Public Sector centres of procurement excellence.

SRUC encourages all of our employees to report in

breaches of the Modern Savery Act. Any employee that raises an issue is fully protected by our Whistle Blowing Policy. To support our staff and improve their understanding of the risks of Modern Savery, SRUC provides a suite of online training modules which are completed by all staff during their induction period, one of which covers Modern Savery.

In addition SRUC recruitment policies and procedures, and the consistent application and monitoring of them ensure that we meet the provision of the act as an employer.

#### **Customers and Suppliers**

SRUCis committed to fostering positive and successful business relationships with its customers and suppliers. Sales, Procurement and Engineering departments regularly communicate with these key stakeholders and this has been particularly evident during this financial year as SRUC prepares for Brexit. Sales and Governance departments provided regular updates to key customers, while the Procurement and Health & Safety departments helped to ensure that

Brexit would bring to their business.

The Board has visibility on developments to these relationships through presentations from Sales and Procurement Senior Management during monthly Directors meetings, thus allowing the Board to consider customer and supplier needs when making decisions.

development;

and support economic



While Covid-19 implications have consequences

significant impacts are those arising from teaching and the ability and willingness of students to travel to campuses for the purposes of Further and Higher Education. The potential impact of volatility on student numbers was a significant factor in

statements have been prepared on a going concern basis which the Board of Directors believe to be appropriate for the reasons outlined below.

SRUC is well-established and renowned for its excellence in teaching and research. As such the demand for learning at SRUC remains strong, as evidenced in the student cohort for 2020/21, even

teaching model, with all lectures being delivered online, supplemented by face to face remote small group tutorials and seminars gives students the ability to learn on campus or remotely, mitigating the risk of Covid-19 on teaching activity.

The award-winning AgreCalc tool is part of our

broad customer base through a suite of distinct services, supporting the growth of customers and strengthening their ability to overcome industry challenges such as Brexit and climate change.

Through evidence-based knowledge transfer and training, the consulting team will continue to help customers achieve improvements in productivity, reduce emissions and implement susta841.68 o-omers



#### Auditor

External audit services were put to competitive tender in 2015 and Ernst & Young LLP were successful in securing the contract for three years to 31 January 2019. During 2018/19 the contract was extended for a further two years to 31 January 2021. Internal audit services were also tendered in 2015 and KPMG were reappointed for three years to 31 March 2019. The contract was extended to 31 March 2021.

#### Information to External Auditor

The directors who were members of the board at the listed in this report. Having made enquiries of fellow directors external auditor, each of these directors confirms that:

belief, there is no information relevant to the preparation of their report of which the external auditor is unaware; and

each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to external auditor is

aware of that information.

This report was approved by the Board on 25 November 2020 and signed on its behalf by:



#### Introduction

SRUC is committed to upholding best practice in all aspects of Corporate Governance.

This summary describes the manner in which the Board has applied the principles in the Annual Financial Statements Direction as issued by the Scottish Funding Council. The purpose of this summary is to help the reader of the reports and financial statements understand how the principles of good governance set out in the codes have been applied.

# Statement of Compliance with the Scottish Code of Good HE Governance

A revised Scottish Code of Good Higher Education Governance was

replacing the 2013 Scottish Code of Good Higher Education Governance.

In the opinion of the Board, SRUC complies with the principles and provisions of the 2017 Scottish Code of Good Higher Education Governance.

During the year ended 31 March 2020, implementation of the Higher Education

completed and further detail is provided below. Board induction and training was carried out in the year and, following Board approval of strategy related KPIs in the previous year, the planned cycle of regular performance reviews based on these indicators was commenced. Two student members were appointed following elections by the student body. A public engagement event was held at Emwood campus to coincide with the formal opening of new animal care facilities and the Board carried out a visit to Barony campus. Efforts are made where practicable to hold Board meetings in different SRUC locations.

During the year, the requirements of HEGA were fully implemented, including adoption of new Articles of Association to bring SRUC formally into compliance with the statute. The new Articles of Association were adopted by Tf1 0 0 1 113.3 634.54 Tm0 g0 G(is)-5()-110(to)7()-110(h)-4(e)4(lp)-3()-110(th)-65.44 841.6595.



Health, safety and welfare of staff and students was, naturally, a major priority for the institution and therefore procedures and processes were kept under constant review or changed as required. A Covid-19 planning group covering all area of SRUC



### Finance and Estates Committee

The Finance and Estates Committee monitors the financial affairs of the Group and advises the Board on financial policy and planning. It also provides strategic direction in terms of the Infrastructure Strategy and has responsibility for oversight of



The Board is responsible for ensuring that the affairs of SRUCare administered and managed appropriately including an effective system of internal control, and that audited financial statements are presented for each financial year.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of SRUC, and ensure that the financial statements are prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, the Statement of Recommended Practice on Accounting in Higher Education Institutions, and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine.

whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.



	Endowment	Unrestricted	TOTAL
Group	£000	£000	£000
Balance at 1 April 2018	5,018	7,196	12,214
Surplus from the income and expenditure			
statement	216	(727)	(511)
Other comprehensive loss	-	(4,722)	(4,722)
Total comprehensive income for the year	216	(5,449)	(5,233)
Balance at 1 April 2019	5,234	1,747	6,981
Deficit from the income and expenditure statement	(850)	(2,924)	(3,774)
Other comprehensive income	-	7,565	7,565
Total Comprehensive income for the year	(850)	4,641	3,791
Balance at 31 March 2020	4,384	6,388	10,772
Company			
Balance at 1 April 2018	5,018	7,081	12,099
Surplus from the income and expenditure statement	216	(720)	(504)
Other comprehensive income		(4,722)	(4,722)
Total Comprehensive income for the year	216	(5,442)	(5,226)
Balance at 1 April 2019	5,234	1,639	6,873
Surplus/ (deficit) from the income and expenditure statement	(850)	(2,954)	(3,804)
Other comprehensive income		7,565	7,565
Total Comprehensive income for the year	(850)	4,611	3,761
Balance at 31 March 2020	4,384	6,250	10,634

# At 31 March 2020



		Group		Company	
		2020	2019	2020	2019
	Note	£000	£000	£000	£000
Non-current assets					
Intangible assets	13	998	924	998	924
Negative goodwill arising from College merger					



#### Statement of compliance

SRUC is a company limited by guarantee incorporated in Scotland. The registered office is West Mains Road, Edinburgh EH9 3JG.

prepared in compliance with FRS102 as it applies to the financial statements of the Group for the year ended 31 March 2020.

#### Basis of preparation

These financial statements have been prepared under the historic cost convention, modified to include listed investments at their market value, and have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The College is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102.

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been prepared on a going concern basis. The uncertainty as to the future impact on the financial performance and cashflows on the Group, as a result of the Covid-19 pandemic, has been considered as part of t

going concern basis in these financial statements and in developing a sustainable financial plan. While Covid-19 implications have consequences

significant impacts are those arising from teaching and the ability and willingness of students to travel to campuses for the purposes of Further and Higher Education. The potential impact of volatility on student numbers was a significant factor in e

financial statements have been prepared on a going concern basis which the Board of Directors believe to be appropriate for the reasons outlined below.

SRUC is well-established and renowned for its excellence in teaching and research. As such the demand for learning at SRUC remains strong, as evidenced in the student cohort for 2020/21, even

teaching model, with all lectures being delivered online, supplemented by face to face remote small group tutorials and seminars enables students the ability to learn on campus or remotely, mitigating the risk of Covid-19 on teaching activity. The award-winning AgreCalc tool is part of our

broad customer base through a suite of distinct services, supporting the growth of customers and strengthening their ability to overcome industry challenges such as Brexit and climate change.

Through evidence-based knowledge transfer and training, the consulting team will continue to help customers achieve improvements in productivity, reduce emissions and implement sustainable practices, supporting them to market their





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

Investment income is credited to the statement of income and expenditure on a receivable basis.

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

Grant funding including Scottish Funding Council education and research grants, research grants from government sources are recognised as income when SRUC is entitled to the income and performance related conditions have been met.

Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Grants (including research grants) from sources are recognised in income when SRUC is entitled to the income and performance related conditions have been met.

Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

#### Donations and endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when SRUC 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 SRUC is entitled to the funds.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms other restriction applied to the individual endowment fund.

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

1. 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.

2. Unrestricted donations.

#### Capital grants

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

#### Employment benefits

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

#### Landobarsd Buildings

Land and buildings are stated at cost. Freehold land is not depreciated. Freehold buildings, including any subsequent capital expenditure, are depreciated over their expected useful economic life to SRUC of up to 50 years. Where parts



that the carrying amount of the fixed asset may not be recoverable.

Buildings under construction are accounted for at

and other direct costs incurred to 31 March. They are not reclassified as Buildings or depreciated until they are brought into use.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

Scottish Government (visa the SFC) maintains an interest in tangible fixed assets funded by capital grants from them.

#### Equipment

Equipment costing less than £5,000 per individual item or group of related items is written off in the year of acquisition. All capitalised equipment is stated at cost.

Capitalised equipment is depreciated on a straightline basis over its useful life as follows:

Motor Vehicles	4 years	
Computer and other equipment	5	10 years
Equipment acquired for specific		
research or projects	Pro	oject Life

#### Software-Intangible asset

Software is capitalised at cost where the software is directly involved with the creation of an asset, or is an identifiable support to the business. Capitalised software is depreciated over 5 years. Software that is not capitalised is instead treated as a consumable, and is expensed during the year of purchase.

#### Accounting for Business Combinations and Associated Negative Goodwill

SAC merged with Barony College, Elmwood College and Oatridge College on 1 Oc 1 153ne e20124(.)



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

#### Leases

Costs in respect of operating leases are charged on a straight line basis to the income statement over the lease term. Any lease premium or incentives are spread over the minimum lease term.

Leasing agreements which transfer to SRUC substantially all the benefits and risks of ownership of an asset are classified as finance leases. Leased assets acquired by way of 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 of the lease term. Any lease premium or incentives are spread over the minimum lease term.

#### Reserves

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



### 1. Scottish Government Grants

	2020	2019	2020	2019
	Group	Group	Company	Company
	£000	£000	£000	£000
Recurrent grant				
Research and development	5,734	6,366	5,733	6,366
Advisory	6,924	6,894	4,042	3,904
	12,658	13,260	9,776	10,270
Release from deferred capital grants				
Buildings (note 22)	910	2,681	910	2,681
EquipmJETQqBT/F5 9.96 Tf1 0 0 1 378.94 602.5 Tn				



### 3. Tuition Fees and Education Contracts

	2020	2019	2020	2019
	Group	Group	Company	Company
	£000	£000	£000	£000
Home and EU higher education fees	2,166	2,111	2,166	2,110
Rest of UK	264	426	264	426
Non-EU students	58	65	58	65
UK further education students	38	59	38	59
	2,526	2,661	2,526	2,660
Education contracts	3,478	4,085	3,468	4,070
Short course fees	512	676	507	648
	6,516	7,422	6,501	7,378



# 6. Other Operating Income

	2020	2019	2020	2019	
	Group	Group	Company	Company	
	£000	£000	£000	£000	
Residences, catering and conferences	1,801	2,088	1,787	2,056	
Sales of farm products	4,329	3,839	-	-	
Rents	1,044	1,048	604	667	
Other income	1,240	1,320	2,828	4,060	
	8,414	8,295	5,219	6,783	

## 7. Investment income

	Group and co	Group and company	
	2020	2019	
	£000	£000	
Investment ,[ )[I(tme)5(n)-4(t )-4(,[7q481.68 520.87			



# . Staff Costs

The average monthly number of persons (including Executive Directors) employed by SRUC during the period,



#### . Staff Costs

#### Key management personnel

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the college. The costs below represent the costs of the members of the Executive Leadership Team (ELT) for the period. Staff costs include compensation paid to key management personnel. The ELT membership is listed on page 9.

	2020	2019
	£000	£000
Key management personnel compensation	878	904
Number of staff	7	7
10. D Remuneration		
	2020	2019
The number of Executive Directors during the year including the Principal and Chief Executive	1	1
	2020	2019
	£000	£000
Salaries	212	204
Fees (Non-Executive Directors)	150	124
Pension contributions	41	34
	403	362
The emoluments of the Principal and Chief Executive (also the highest paid director)		
	2020	2019
	£000	£000
Salary	200	197
Taxable benefits	12	7
Pension	41	34
	253	238

The remuneration of the Principal in the year ended 31 March 2020 was £253k. This was 7 times (2019 - 6.6 times) the median of the total remuneration of the workforce and 6.5 times (2019 - 6.4 times) the median salary of the workforce.

A proportion of the Non-Executive Directors f0 G()]Tutions



# 11. Analysis of total operating expenditure by activity

	2020	2019	2020	2019
	Group	Group	Company	Company
	£000	£000	£000	£000
Academic departments	17,699	15,299	15,829	15,269
Research grants and contracts	14,730	15,318	11,847	11,807
Administration and central services	9,598	9,938	9,528	9,845
Premises and estates	7,898	7,017	7,244	6,387
Residencies, catering and conferences	3,961	3,740	3,773	3,498
Other including income generating operations	25,765	24,946	6,505	5,949



#### 15. Tangible Fixed Assets

A detailed review of buildings was performed during the year which identified certain assets as at the end of their useful life. The assets were impaired and the charge to the income and expenditure account was matched by a release of deferred capital grant where applicable.

Included in freehold land and buildings is land of £13.7m which is not depreciated.

Included in equipment are assets under construction amounting to £94k (2019: £514k) which are not depreciated.

16. Investments	Group	Company	Group and company
Listed investments	2020	2020	2019
	£000	£000	£000
At 1 April 2019	200	200	195
Movement on valuation	(58)	(58)	5
At 31 March 2020	142	142	200
Investments in associates At 1 April 2019 Additions At 31 March 2020	<u> </u>	- - -	- - -
Endowment investments			
At 1 April 2019	5,234		



## 18. Debtors

	Group		Comp	Company	
	2020	2019	2020	2019	
	£000	£000	£000	£000	
Trade receivables	5,017	4,456	1,169	1,378	
Prepayments and other debtors	3,377	3,767	2,709	3,085	
Amounts recoverable on contracts	5,999	5,298	2,609	2,109	
Amounts due from fellow Group Companies	-		4,075	3,024	
	14,393	13,521	10,562	9,596	

# 19. Creditors: amounts falling due within one year

	Group		Compa	Company	
	2020	2019	2020	2019	
	£000	£000	£000	£000	
Trade creditors	3,246	2,561	2,295		



## 23. Provision for Liabilities

Unfunded pension liability

#### Group and company

2020 £000



# 28. Financing

20.1110/10/19		
	2020	2019
	£000	£000
Repayment of bank loans	(526)	(9)
New loans	1,935	5,200
Capital element of finance leases repaid	(90)	(101)
Net cash inflow from financing activities	1,319	5,090
29. Management of Liquid Resources		
	2020	2019
	£000	£000
Transfer (to)/from bank investments	(5,751)	3,400
Net cash (outflow)/inflow from the management of liquid resources	(5,751)	3,400

# 30. Analysis of Changes in Net Funds

At	
1 April	Net
2019	Change



#### 31. Endowment Reserves

Restricted net assets relating to endowments are as follows:

Restricted her assers relating to endowinents a	ie as ionows.			
			Group and compa	iny
	Restricted	Restricted	Unrestricted	Total
	Permanent	Expendable		
	£000	£000	£000	£000
	2000	2000	2000	2000
At 1 April 2019				
Capital	4,509	255	470	5,234
New endowments	2	-	-	2
Investment income	159	9	17	185
Expenditure	(68)	(8)	(13)	(89)
Decrease in market value	(821)	(44)	(83)	(948)
	· · · · · · · · · · · · · · · · · · ·			
Total comprehensive income for the year	(728)	(43)	(79)	(850)
At 31 March 2020	3,781	212	391	4,384
				;
Analysis by asset:			2020	2019
, , , , , , , , , , , , , , , , , , ,			£000	£000
Investments			4,185	4,965
Cash and cash equivalents			199	269
			4,384	5,234

# 32. Obligations Under Leases and Hire Purchase Contracts Amounts due under finance leases and hire purchase contracts:

	Group and company	
	2020	2019
	£000	£000
Amounts payable:		
Within one year	-	90



#### 33. Pensions

As an employer, SRUC has a number of differing pension arrangements for staff and the various schemes are listed below:

- i)
- ii) The SRUC Group Pension Plan
- iii) The Otrus Pension Plan
- iv) The local Government Pension Funds: Dumfries and Galloway Council Pension Fund, Fife Council Pension Fund and Lothian Council Pension Fund
- v) Scottish Teachers Superannuation Scheme (STSS)

A summary of FRS102



# iii)

## Assumptions

The financial assumptions used to calculate the scheme liabilities under FRS102 are:

Weighted average assumptions used to determine benefit obligations	2020	2019
Price inflation (RPI)	2.70	3.40%
Price inflation (CPI)	1.80	2.40%
Rate of personal Rate of personal results and the results and		

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#### iii)

The Citrus deficit is sensitive to the actuarial assumptions used. The assumptions are set following advice received from a qualified actuary. The following table highlights the sensitivities regarding the principal assumptions used to measure the scheme liabilities.

	Approximate increase in	
	scheme liabilities %	£000
0.5% decrease in real discount rate		61,079
I year increase in member life expectancy		55,967
+0.5% change in salary increases		54,937
+0.5% change in inflation		58,762
	2020	2019
	£000	£000
Analysis of the amount charged to operating surplus		
Qurrent service cost	1,743	1,705
Past service cost	- · · · -	170
Administration costs	85	154
	1,828	2,029
Analysis of the amount charge to other finance income		
Interest income on Plan assets	798	792
Interest charge on Plan liabilities	(1,373)	(1,311)
Net charge to other finance income	(575)	(519)
Analysis of amount recognised in Other Comprehensive Income		446
Actual return on assets excluding amounts included in net intere		416
Actuarial gains/ (losses) on plan obligations	5,108	(3,850)
Re-measurement gain/ (loss) recognised in OC	5,751	(3,434)
Analysis of movement in the deficit		
Deficit at 1 April 2019	(24,428)	(20,407)
Contributions paid by the College	1,884	



2020 2019 £000 £000

Change in benefit obligation



The FCPF is a funded defined benefit pension scheme where contributions are held in a trust separately from SRUC and was closed to new members on 1 October 2012. A formal valuation of the scheme was carried out as at 31 March 2017. The employers contribution rate is 20.2%



#### 33. Pensions

#### iv)

The LGPS deficits are sensitive to the actuarial assumptions used. The assumptions are set following advice received from a qualified actuary. The following table highlights the sensitivities regarding the principal assumptions used to measure the scheme liabilities.

Approximate increase in scheme liabilities %

£000

0.5% decrease inef



## iv) The Local Government

#### Change in scheme assets

Opening fair value of scheme assets	29,543	27,689
Interest income	711	747
Member contributions		



# 36. Bursary and Other Student Support Funds

				2020	2019
1 April 2019	Bursary £000 (105)	Hardship £000 83	£000 5	Total £000 (17)	Total £000 (256)
Received during the year	2,169	327	85	2,581	2,861
Refunded to SFC	(55)	(11)	-	(66)	(154)
Virement of funds	-	(12)	-	(12)	(24)
Expenditure	(2,326)	(311)	(85)	(2,722)	(2,444)
31 March 2020	(317)	76	5	(236)	(17)

Bursary and other st



#### 40. Post Balance Sheet events

The World Health Organisation officially declared Covid-19 a global pandemic on March 11th, 2020. On the 23rd March 2020 the UK Government initiated a UK wide lockdown with immediate effect. As the balance sheet date of 31 March 2020 was subsequent to the start of the Covid-19 lockdown period, the emergence of Covid-19 is not a post balance sheet event, and the impact on the financial performance in the year and yearend balance sheet position has been accounted for in these financial statements. The potential impact from developments after the 31 March 2020 yearend have been considered accordingly for disclosure in the financial statements. From our assessment of these developments we have not identified any adjusting post balance sheet events.

There have been numerous developments in relation to the pandemic subsequent to 31 March 2020, including the return of students to the SRUC campus for teaching the 2020/21 academic year and ongoing revisions to relevant legislation and guidance which SRUC is following. SRUC continues to monitor and assess the financial impact of Covid-19 and the subsequent changes to its operating environment for 2020/21.



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Chief Executive and Principal	Professor Wayne Powell
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Internal Auditor	KPMGLLP Saltire Court 20 Castle Terrace Edinburgh EH1 2EG
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Solicitors	Morton Fraser Quartermile Two 2 Lister Square Edinburgh EH3 9GL
Actuaries	Mercer 15 Lauriston Place Edinburgh EH3 9EN
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