



UNIVERSITY OF  
GIBRALTAR

# ANNUAL REPORT & FINANCIAL STATEMENTS 2019/2020





## Dementia Care in Nursing

This book is particularly useful for nurses and other health professionals who are involved in the care of people with dementia. It provides a comprehensive overview of dementia care, covering the latest research and practice. The book is written by leading experts in the field and is a valuable resource for all those who work with people with dementia.

**Key features:**

- Linked to the latest research
- Real-life case studies
- Authoritative
- Practical
- Student-friendly



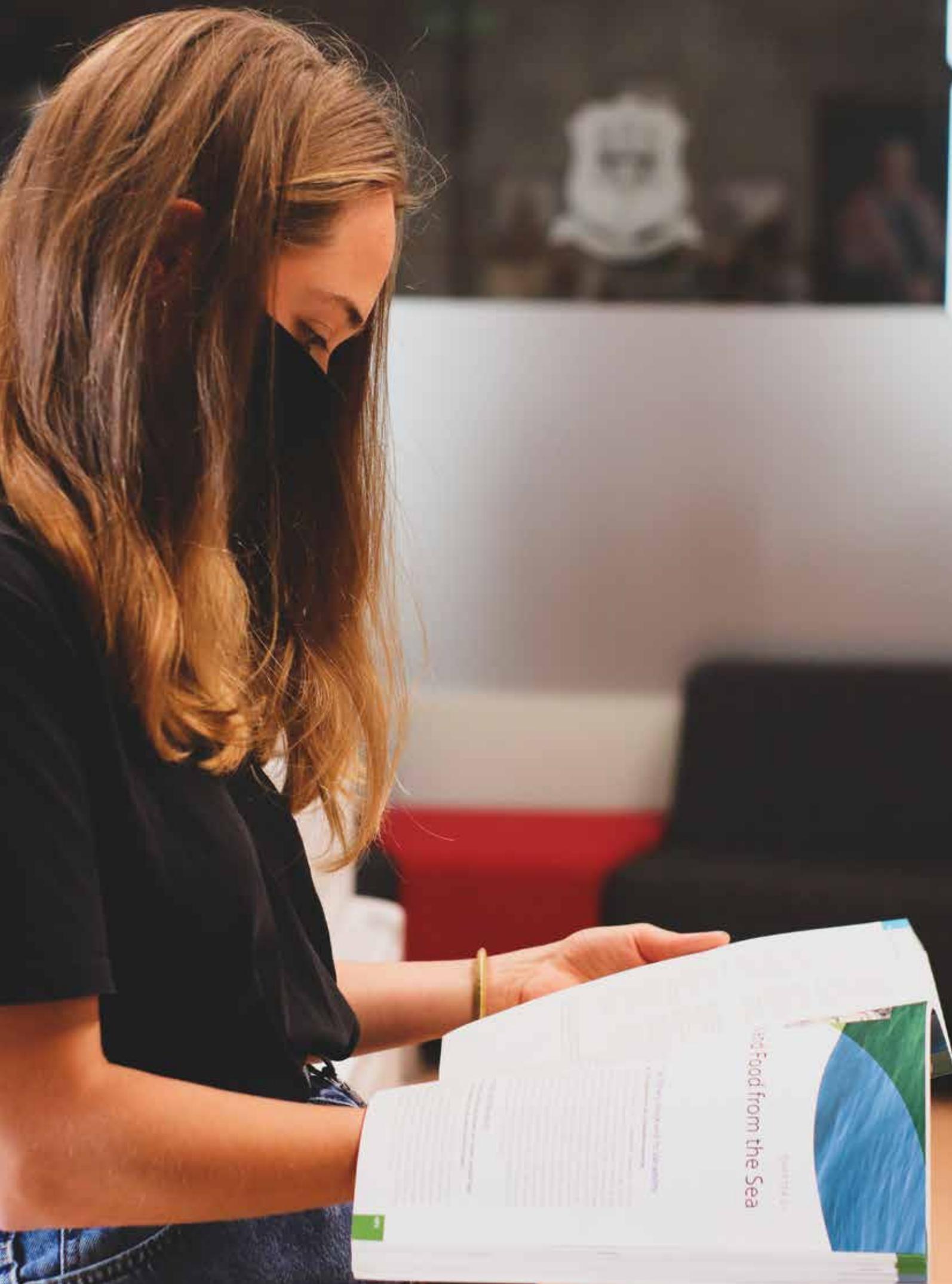


**ANNUAL REPORT  
& FINANCIAL  
STATEMENTS**  
2019/2020

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# CONTENTS

Foreword by the Chairman of the Board of Governors .....	6
Vice-Chancellor's Executive Summary .....	7
Operating and Financial Review	
Operating Review .....	10
Strategic Planning and Reporting .....	15
Financial Review .....	18
Financial Risk Management .....	25
Report of the Board of Governors and Corporate Governance Statement .....	27
Independent Auditor's Report to the Board of Governors .....	33
Financial Statements	
Consolidated and Institution Statement of Comprehensive Income .....	35
Consolidated and Institution Statement of Changes in Reserves .....	36
Consolidated and Institution Statement of Financial Position .....	37
Consolidated Cash Flow Statement .....	38
Statement of Principal Accounting Policies .....	39
Notes to the Financial Statements .....	43
Academic Board .....	52
University Beacon Professors .....	52
Executive Team .....	52
Audit Committee .....	52
Key Advisory Groups .....	53



Food from the Sea

part 1 of 1

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# FOREWORD BY THE CHAIRMAN OF THE BOARD OF GOVERNORS

The Annual Report and Financial Statements for this year highlights the challenges which the University of Gibraltar (University) has had to meet as a result of the COVID- 19 crisis.

It has been a unique year; one of unprecedented times. It has also shown how resilient the University has been throughout this period.

At the start of the global pandemic we urgently implemented strategies for reducing the number of faculty and students on Campus, making arrangements for staff to work from home and providing online classes after carefully taking into account the individual characteristics applicable to each course or programme.

The gradual easing of restrictions has allowed almost all staff to return to normal working and has seen the return of face to face classes which was the strong preference +of most of our students.

The approach taken in dealing with COVID-19 has necessarily been different in some ways to that taken by most UK universities. The short lines of communication enjoyed with HM Government of Gibraltar Ministers and Senior Officials reflects a very different model to UK universities. This has enabled the University of Gibraltar to succeed with its plans and show how resilient it has been throughout.

Mindful of our links and responsibilities to the wider community we have assisted in providing Public Health Gibraltar the temporary use of our laboratory for the conducting of COVID-19 tests.

We were also able to assist in the temporary relocation of the GHA Ophthalmic Clinic in our nursing simulation suite.

Despite all the challenges affecting universities globally as a result of the pandemic I am delighted to be able to report that our enrolments in terms of tuition fees for the next academic year 2020/21 have approximately doubled by comparison to 2019/20, and that we presently have the largest number of international students to date.

The availability of residential accommodation for students has been a critical factor in our ability to achieve our student recruitment targets.

In the five years since the University was launched it has been developing its portfolio of courses and programmes.

Our plans to refurbish St Christopher's site are essential in order to be able to accommodate the anticipated



increases in student numbers.

Private sponsorship funding is very important to the University in order to be able to meet our recruitment and income targets and I would like to thank Ruth Parasol and the Parasol Foundation Trust, as well as the Kishin Alwani Foundation, for their continued support and generosity.

We also hope shortly in conjunction with the Gibraltar Gambling Care Foundation to establish and develop a Centre of Excellence for Responsible Gambling.

I would like to thank Lord Luce who stepped down as Chancellor for his support during his tenure of office. We are delighted that Sir Lindsay Hoyle has accepted to be the new Chancellor and very much look forward to working with him.

I would also like to thank the Hon Gilbert Licudi QC, MP for all his support and work undertaken during the time he served as Minister. I very much look forward to having a successful and fruitful working relationship with the Hon Prof John Cortes MBE MP.

I also wish to thank my fellow members sitting on the Board of Governors as well as Dr Joey Britto, for their continued dedication and commitment. The breadth of experience and skills they have has proved to be invaluable during these unprecedented times.

On behalf of the Board I would like to thank students, the academic and support staff, the Vice-Chancellor Prof Catherine Bachleda and her Executive team for all their hard work and commitment in what has proved to be an extraordinary and challenging year.

**Albert D Langston MBE, GMD**  
Chair of the Board of Governors  
17 December 2020

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# VICE-CHANCELLOR'S EXECUTIVE SUMMARY

This year the University has had to contend with the challenge of coronavirus (COVID-19). From an academic perspective, the pandemic had the potential to severely impact student ability to complete their studies and impact final exam arrangements as well as placements. It also had the potential to impact the recruitment of international students due to travel restrictions.

In responding to this challenge, the entire University team acted quickly and decisively. Early contingency planning facilitated a smooth transition to staff and faculty working from home and the delivery of education online ahead of the late March 2020 Gibraltar lockdown. It also ensured that lecturers and students were supported before and during the lockdown period; enabled students to undertake final exams, albeit in some cases in a different format; and with the support of the Department of Education, enabled PGCE students to complete their placement hours. As the lockdown eased, and in accord with public health guidelines on distancing, sanitation and ventilation, face to face teaching was gradually re-introduced. A student survey taken towards the end of the academic year indicated a high level of student satisfaction with being able to continue their studies and the level of support provided.

In terms of recruitment for September 2020 and with the assistance of a media management agency efforts were re-focussed from face-to-face activities to digital marketing. This stemmed an initial reduction in applications at the onset of the pandemic and ensured that the University, by and large, achieved budgeted targets, in all except the BSc maritime programme. The launch of this programme was postponed to September 2021.

In terms of academic provision, this year saw continued expansion and diversification. The School of Business, to complement the Bachelor of Business Administration (Hons) and Master of Business Administration, added a range of on-line Executive MBAs and a MA in Leadership and Management. The latter, which was successfully launched in September 2020, benefits from a collaboration with King's College London's International School for Government providing students the opportunity to undertake a range of specialist modules. This collaboration also supported the provision of specialist education to a group of HMGoG staff who had been selected to undertake the Future Leaders and Managers in Government programme.



**Prof Catherine Bachleda**  
Vice-Chancellor

The School of Health Sciences, in consultation with Kingston University, developed and launched a BSc (Hons) Adult Nursing degree. As with all University of Gibraltar programmes, the degree underwent a rigorous validation process to ensure it aligned with the UK Quality Assurance Agency (QAA) standards. Also, those completing the programme will be recognised by the Gibraltar Nurses, Midwives and Health Visitors' Registration Board as fulfilling the academic and practical aspects of its admission criteria. The degree which was launched in September 2020, saw 17, mainly local, student nurses starting the three-year programme.

The School of Marine and Maritime Sciences worked with UK-based industry experts to develop an accelerated BSc (Hons) Maritime Science (Engineering) and a BSc (Hons) Maritime Science (Nautical) programme which provides cadets with the opportunity to achieve an academic qualification with a Certificate of Competence as an Officer of the Watch. Both degrees which will be launched in September 2021 are aligned to the Merchant Navy Training Board and Maritime Coastguard Agency (MCA) standards and recently obtained MCA approval. The University of Gibraltar has also been approved as an Examination Centre for MCA Safety (Deck) and Professional Exams Engineering, which are currently administered by the Scottish Qualifications Authority (SQA) and International Association of Maritime Institutions (IAM).

Our PhD programme has also had another eventful year with three part-time students completing their Confirmation of Candidature and one part-time student subsequently going on to complete her thesis examination in September 2020, just in time to attend our first graduation ceremony in December 2020.

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# VICE-CHANCELLOR'S EXECUTIVE SUMMARY (CONT.)

All of our PhD students are supported by one of our Research Institutes; the Institute of Life and Earth Sciences, headed by Beacon Professor Clive Finlayson, the Institute of Education, headed by Dr Joey Britto, or the Institute for Gibraltar and Mediterranean Studies, headed by Dr Jennifer Ballantine, as well as a host of researchers within the Institutes who so generously give of their time and expertise.

Early in the second half of the academic year, we launched our Post Graduate School of Medicine. Initially, it was intended to focus on the provision of medical CPD courses in collaboration with the Gibraltar Health Authority. However, the arrival of the COVID-19 crisis provided the opportunity to fast track the research plans of the School, with several publications already attributed to the School.

Looking ahead, this upcoming academic year will see the establishment of a Centre of Excellence in Responsible Gaming. Through an extensive international executive search, we have been able to recruit a renowned research academic to Chair the Centre as from February 2021. The Centre will undertake cutting-edge research to feed back into policy and programmes and aim to lead on the provision of courses on responsible gaming aimed at professionals in the gaming sector.

As indicated above, the University held its first graduation in December 2020, with graduates from our MSc in Marine Science and Climate Change, MBA and PGCE programmes, a real achievement after only five years.

This past year also saw growing numbers of students attending our professional courses, particularly those that link closely with the Gibraltar economy. The Professional Certificates in Law and Taxation together with other professional courses such as CII (insurance), AAT (accounting), and CPD or short courses such as Digital Marketing all continued to be popular, as did the Professional Certificate of Competence in Blockchain and Smart Contracts.

In line with the licensing of the University as a computer-based examination centre by ACCA last year, exam volume continued to increase over the reporting period. The Exam Centre team worked hard during the pandemic lockdown to ensure all of its exams were delivered, although several exams were postponed by the professional bodies. Another highlight of the year came in the form of the University's Europa

Point Language Centre working with an international University to develop an intensive English language summer school which will be launched this coming year.

In terms of quality assurance, the University underwent an initial review by the UK Quality Assurance Agency early in the year, which provided positive feedback about the quality processes the University has in place and set strong foundations for our full review next year.

In respect of our Strategic Plan (2019-2022), we achieved an average of 94% of all set milestones for the academic year ending 31 July 2020. This compares to an average of 98% of milestones achieved last year. Thus, despite COVID-19, we made exceptionally good progress and the University remains firmly on track to achieve its 2022 strategic goals and targets.

Overall, the 2019/20 academic year has been a challenging but none the less successful year and although Brexit and COVID-19 are likely to continue to impact the University during the upcoming year, the University will continue to prepare for these challenges by focusing on its strengths and taking advantage of the opportunities that also lie ahead.

In conclusion, I would like to emphasize that the achievements of the University detailed in this Annual Report are ultimately due to the commitment to excellence and professionalism of all the Unigib team in everything they do and for which I remain very grateful.

I would also like to thank Ruth Parasol and the Parasol Foundation Trust, whose generous donations to the University have continued to support the expansion of our academic portfolios through curriculum development funding, support our University Library provision, and assist several students to realise their dreams through Parasol Scholarships in business and marine science and climate change.

My gratitude also extends to our new Chancellor Sir Lindsay Hoyle, the local and international academics that form part of our Academic Board and its subcommittees, and our Board of Governors all of whom have continued to provide unwavering support and guidance to the University this particularly challenging year.

Finally, on behalf of the University community, I

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# VICE-CHANCELLOR'S EXECUTIVE SUMMARY (CONT.)

would like to thank HM Government of Gibraltar for its significant support and goodwill, which continues to enable us to create a modern higher education institution that supports innovative, inspiring and participative modern learning.

**Professor Catherine Bachleda**

Vice-Chancellor

17 December 2020

# OPERATING REVIEW

The 2019/20 academic year saw continued progress by the University in programmes and courses offered, tuition fees received, and students enrolled.

	Academic year 2019/20	Academic year 2018/19	Academic year 2017/18
Academic Programmes*	<b>56</b>	30	19
Professional Courses and Certificates	<b>189</b>	175	157
Short Courses	<b>104</b>	137	123
<b>Total</b>	<b>349</b>	342	299

\*Academic Programmes do not include students enrolled with GHA School of Health Studies who received some tuition at the University. Academic credit is awarded by Kingston University, London, and St George's University, London.

## Research Presence

The University's flagship PhD programme, involving 16 researchers at various stages in their individual research projects, continued to flourish, with at least one student expected to complete and graduate this calendar year. A further 5 PhD students commenced their studies in September 2020.

Researchers include two Commonwealth Scholars who receive financial support for their PhD studies, including University fees, some travel, and a monthly allowance for a 3-year full-time period of study.

The University's research institutes, including the Institute of Life and Earth Sciences, the Institute for Gibraltar and Mediterranean Studies and the Institute of Education, all saw further development over the past year, both locally and abroad. Adding to our research specialisms, this year saw the development and launch of our School of Postgraduate Medicine. Linked to this, the University has also seen an increase in Research Associates (over 30 new researchers, including a Beacon Professor and a Research Fellow) and research outputs (7 new publications by University researchers published in international peer-reviewed journals).

In addition, the University's Parasol Library, financed by the Parasol Foundation Trust, has continued to expand the range of the online resources available, with particular emphasis on expanding the research areas most needed by the University's PhD students

and other academic programmes.

## Academic Programmes (Continuing)

The Bachelor of Business Administration (Hons) programme (BBA) commenced in September 2018 with its first cohort of students and the programme continued to its second year in September 2019. Developed in line with the UK Quality Assurance Agency Quality Code, and commended by an external validation panel of experts, this industry-focused degree includes an important annual placement component that has allowed students to gain first class industry experience.

The Master of Marine Science and Climate Change programme also commenced in September 2018 with a part-time cohort of students. The University enrolled a cohort of full-time international students to the programme in September 2019. Industry focused, this programme has also been commended by an external validation panel of experts. The first cohort of Master of Marine Science and Climate Change students graduated in December 2020.

The Master of Business Administration programme was launched in September 2019 with a cohort of mainly part-time students who were either local or regionally based, and one international full-time student who graduated in December 2020. End of year feedback from the UK External Examiner was very positive with special mention made about the quality of feedback provided to students and ethos of the teaching team.

The Post Graduate Certificate in Education was also launched in September 2019 with a cohort of 10 full-time students. The first cohort of PGCE students graduated in December 2020. The UK external examiner's end of year report indicated that "...the quality of work was as good, if not better than that of similar courses in the UK."

## Academic Programmes (New)

In line with the University Strategic Plan 2019-2022, the development of a number of new programmes was completed:

- The BSc (Hons) Adult Nursing degree programme was launched in September 2020 and the results will be included in our 2020/21 annual report.
- The MA in Leadership and Management was launched in September 2020 with a cohort of part

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# OPERATING REVIEW (CONT.)

time students.

- BSc (Hons) Maritime Science (Nautical) and BSc (Hons) Maritime Science (Engineering) programmes were expected to be launched as from September 2020, but due to the impact of COVID-19 the launch has been delayed to September 2021.
- The Executive MBA in Healthcare Management was launched in September 2020 and we anticipate a further suite of online Executive MBA's will be launched in March 2021.

In line with the University Academic Regulations and Quality Code on programme approval, each new programme underwent a rigorous validation process involving consultations with external stakeholders, internal curriculum development by a programme team, and detailed scrutiny by a panel of external experts before being approved by Academic Board.

## Other Academic and Research News

The University also once again hosted the annual Calpe Conference; the September 2019 conference focused on 'Archaeological and Heritage Research in Gibraltar: the past thirty years.' Monthly evening Research Lectures were also hosted throughout the year, with lectures delivered by our researchers on topics such as education, natural history, literature and Gibraltar history.

The Friends of Gibraltar continued to support our PhD programme by providing their annual £1,000 bursary, this year awarded to PhD student Natalie Wilson for her work on the mammalian fauna of Gorham's Cave.

## Professional Development and Continuing Education Courses

Existing professional courses included in the 2019/20 academic year were as follows:

- The Association of Accounting Technicians courses (AAT)
- The Chartered Institute of Legal Executives (CILEx) Level 3 Professional Diploma in Law and Practice
- The Professional Skills Course as determined by the Solicitors Regulatory Authority
- Chartered Insurance Institute (CII) Diploma Compulsory Unit Programme

The Professional Certificate of Competence in Blockchain & Smart Contracts, Professional Certificate of Competence in Gibraltar Law, and the Professional

Certificate of Competence in Gibraltar Tax, again proved highly popular.

In consultation with the Gambling Commissioner and the Gibraltar Betting and Gaming Association an online Introduction to Responsible Gaming, IGaming and AML short course was launched in May 2020. This short online course has a Gibraltar specific focus which assists in harmonising the local gaming industry in terms of terminology and knowledge.

The University continues to provide short courses which are accredited by the Continuous Professional Development (CPD) Certification Service. Two new short courses were submitted and obtained recognised independent continuous professional development accreditation compatible with global CPD principles. These were: Introduction to Digital Marketing, and Introduction to Management. The Digital Marketing course was delivered twice, once face-to-face and once virtually.

The University remains an accredited centre for various professional bodies, such as AAT, CII, CILEx and ACCA, hosting paper-based or computer-based exams, and it has provided examination facilities for several UK universities as well as other international universities. The University was licensed by ICAEW as a computer-based examination centre this year, thus allowing external examination candidates to sit their professional accountancy examinations online from the University.

## Language Courses

The Europa Point Language Centre continues to provide a variety of courses over four CEFR levels (Common European Framework of Reference for languages). These courses include General English, English for Academic Purposes, English for Specific or Professional Purposes such as Business English, English for Sales. Our Spanish language courses included General Spanish, Spanish for Business Purposes and Spanish for Marketing Purposes.

The Centre is an Approved Provider for Cambridge Assessment English examinations and tests.

## Chancellor of the University

The University was delighted to announce the appointment of Sir Lindsay Hoyle as its new Chancellor in February 2020, taking over from the University's

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# OPERATING REVIEW (CONT.)

inaugural Chancellor, the Rt Hon. Lord Luce who had retired after completing his term of office in 2019.

Sir Lindsay said he was "honoured beyond belief" at being appointed Chancellor of the University of Gibraltar. The House of Commons Speaker said the small, narrow peninsula in the southern tip of Europe had "always held a special place in my heart".

## Strategic Plan

The University's Strategic Plan was updated and published in March 2019 and a progress report covering the first year of the Plan was published in November 2019. For further details please refer to Strategic Planning and Reporting. The 2020 updated progress report is due to be published in early 2021.

## Local and International Partnerships

The University has prioritised the development of international relationships that reinforce its international standing and provide opportunities for its students. Along with strengthening our existing agreements with partners such as the Network of Universities of Small Countries and Territories (NUSCT), and the Association of Commonwealth Universities (ACU), we have also signed agreements with the University of Basel, Switzerland and the University of Central Lancashire, UK with a view to collaborate on research and academic programmes. On the local front, we continue to work closely with our associate campuses and have signed an agreement with the Gibraltar National Archives to provide our students with full access to local resources. Agreements with the Department of Education and the Gibraltar Health Authority were also finalised to allow our students to attend placements in local schools and the hospital as part of their studies in our PGCE and Nursing programmes.

## Physical Infrastructure Developments

### *Student residential accommodation*

It would not be possible to attract international students, and some local students, without the availability of reasonably priced student accommodation. Therefore, the completion by HMGoG of two residential student blocks, providing 144 residential units for students and visiting faculty, which became available from the start of September 2019, was an important milestone for the University that greatly assisted our recruitment efforts.

Students started residing in the accommodation blocks in September 2019 with increased use being made in the following academic year 2020/21.

### *St Christopher's School*

Legal title to St Christopher's School, which is expected inter alia to house the University's future Maritime Academy, is currently in the process of being transferred to the University. The manner in which this new space will be integrated into the present Campus continues under consideration by the University and HM Government of Gibraltar. Extensive refurbishment of this site will be needed and it is anticipated this refurbishment will be staged over several years.

## Legal and Regulatory

### *Academic Governance*

The University's Academic Quality and Learning Manager will be responsible for ensuring all University of Gibraltar degrees continue to be aligned to UK quality standards, and to ensure this can be demonstrated to the satisfaction of the UK's national quality agency the Quality Assurance Agency for Higher Education (QAA). The University formally engaged the QAA in September 2019 to conduct a quality review process, and the QAA carried out an initial scoping visit in November 2019. This QAA Scoping Exercise was successful and the University now continues to work with QAA towards a full International Quality Review, which is scheduled for October 2021.

For further details please refer to Report of the Board of Governors and Corporate Governance Statement.

## Donor Relationships and Fundraising

The University continues to benefit from key donor relationships which are a vital source of revenue for most modern universities.

The relationship with the Parasol Foundation Trust, announced in October 2017, involving the donation of £600,000 over a period of three years, continues to evolve and this remains the University's foremost donor relationship to date. These funds will be invested mainly to commission, acquire or develop educational resources, software and curriculum development, and on the University's Parasol Library (<https://www.unigib.edu.gi/library/>) in accordance with explicit donor requirements as stated in the deed of donation.

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# OPERATING REVIEW (CONT.)

In October 2018 the Parasol Foundation Trust announced a further generous donation in the form of the Parasol Scholarship Fund. The new scholarship fund provides up to £50k per annum over a three-year period and its main purpose is to finance tuition fees for five full time Bachelor of Business Administration (Hons) students who would not otherwise have been able to afford to study at university. Three new students were awarded Parasol Scholarships in September 2020, joining the Parasol Scholars who received their scholarships in September 2019 and September 2018. In September 2020 the Parasol Foundation Trust also funded an MSc Marine Science and Climate Change student who subsequently enrolled on the programme.

The Kishin Alwani Foundation provided funding in 2018 in the sum of £42k to completely refurbish the students' common room, which has become known as The Kishin Alwani Foundation Student Common Room. Part of the funds remaining from that donation were used to part finance an interactive training mannequin which was required for the BSc (Hons) Adult Nursing programme which commenced September 2020.

These, and future major donor relationships, will enable the University to pursue specific projects of interest to donors.

## Community Events and Community Involvement

The University arranged a number of lectures for the public, and continued with its popular Gibraltar History Lectures which featured a wide variety of guest speakers. These lectures were suspended during the year because of the current COVID-19 restrictions.

The University regularly participates in various community events supporting local charities and organisations, such as Clean Up The World.

Also, as in previous years and to the extent that the University's student and educational priorities permit, use of the University Campus is frequently made available for a variety of community groups and charities, such as Cyber Centurion, and Diversity and Inclusion.

## Campus Venue Hire

The University must seek to maximise the return from its Campus and facilities in order to further its goal of progress towards self-financing and it regularly hires

out Campus space for public and private sector events. Further details appear in Financial Review.

## Student Experience and Recruitment

The University's Student Experience Office (SEO) has worked hard to ensure students receive the best possible experience whilst at the University. Students are offered a structured induction and orientation programme covering key areas such as Campus facilities, wellbeing and counselling services, access to an individually tailored Student Experience portal, library access and resources, and ICT services. The SEO strive to provide students with a personal touch to their support services and ensure there is a good communication link between the student body and the University. This is vital in order to detect early signs of any problems and additionally creates an improved environment for students at the University.

Close links have also been maintained and enhanced during the year with visa and immigration authorities to ensure the University is able to provide excellent support to prospective international students throughout their application process. Prospective students receive timely correspondence and support throughout the application process. This year the team has implemented a new CRM system, Salesforce, which is an improvement to the previous system used in respect of monitoring leads prior to enrolment and other student queries and requests for enrolled students.

The University appointed various independent student recruitment agents during the year to assist with recruitment for its growing number of programmes. As part of its international recruitment strategy, the University has also participated in a number of international student recruitment fairs in Morocco, India, Pakistan, Spain and also virtually.

## ICT Developments

ICT developments during 2019/20 included works related to a major shift in working practices due to the COVID-19 pandemic. The ICT team enabled home/remote working at short notice for all staff and students during the lockdown period and after. Other developments included:

- Backup software upgrade and restructure, cloud based backup, MEER/PREP configuration and software to support the Academic Quality team

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# OPERATING REVIEW (CONT.)

were also progressed.

- Two lecture rooms were restructured and fitted with extra computer facilities to accommodate social distancing.
- Backup software was upgraded to Veritas making it possible meet our demand and growing range of services and data. The upgrade and restructure was necessary to maintain quality ICT services running for both staff and students alike.
- Cloud Offsite storage with Rockolo has been enhanced and now includes two of our main servers and enhancement of retention schedules within budgetary constraints.
- Expansion of Server Room 1 and improvement of power distribution to single powered appliances.
- Seminar Rooms 9 and 14 have been fitted with new desktops to improve the offering to our students and improve flexibility on Campus to accommodate social distancing.

## COVID-19

Following the extraordinary pandemic situation that reached Gibraltar during March 2020, University staff made great efforts to keep the disruption to University students to a minimum. All programmes and courses were therefore changed to online delivery as from 19th March. Arrangements were then made over the following months, taking into account legislation changes and public health guidance, in order to return with a full programme of face-to-face teaching and learning from September 2020.

The University played a key role in supporting its community by allowing the Gibraltar Health Authority to have full and exclusive use of its laboratory to urgently set up a COVID-19 screening laboratory, thereby increasing very significantly the number of tests for COVID-19 that could be undertaken locally.

The University also assisted the Gibraltar Health Authority with the temporary relocation of the Ophthalmic Unit Clinic to the University Simulation Suite.

For further details regarding COVID-19 please refer to Financial Risk Management.

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# STRATEGIC PLANNING AND REPORTING

## Mission

The University's objectives are contained within its principal mission, which is to respond to current societal needs as well as shape personal and professional futures through the pursuit of education, training, and research. To attain these objectives the University is committed to high quality teaching and learning, world-leading research, academic freedom, as well as to the sustainable development of Gibraltar and its importance in the Mediterranean region. Partnerships with business, government, charitable foundations, healthcare and educational institutions lie at the heart of the University's mission.

## Strategic Plan - Realising our 2022 Vision

In March 2019 the University issued its Strategic Plan for the period 2019-2022. The University considers the preparation and periodic review of its Strategic Plan to be an essential process that will provide greater clarity of direction and also map the development and growth of the University over the term of the Strategic Plan period.

Based on the University's mission, the underpinning legislative framework provided by the University of Gibraltar Act 2015, consideration of domestic, regional and international environments, and the contribution of stakeholders that include HM Government of Gibraltar, Board of Governors, Academic Board and its sub-committees, Key Advisory Groups, research, teaching, administrative and management staff, associates, and most importantly our students, six strategic priorities were identified for 2022.

These are:

- Our Curriculum Portfolio
- Our Research and Research education
- Our Learning
- Our Campus
- Our Student Support
- Our Corporate Governance

For each strategic priority, the Strategic Plan establishes strategic goals, and KPIs to assist with monitoring progress towards these goals. For example, the strategic priority Curriculum Portfolio identifies as a strategic goal the need to increase the current provision of taught degrees that align with the University of Gibraltar Act 2015 and respond to local, regional and/or international needs. Progress towards this strategic goal is measured by the number of new

taught degrees that are successfully established.

The Strategic Plan will continue to be subject to at least annual review and further updates will be made if appropriate.

The complete Strategic Plan may be downloaded from the University's website at; [https://www.unigib.edu.gi/wp-content/uploads/2020/09/Uni\\_Strategic\\_Plan\\_2019.pdf](https://www.unigib.edu.gi/wp-content/uploads/2020/09/Uni_Strategic_Plan_2019.pdf)

An executive summary of progress made during the latest year of the Strategic Plan, based on achievement of set milestones for the academic year ending 2020 (1 August 2019 to 31 July 2020), will be available online in early 2021.

## Brexit

As noted in previous annual reports, the ongoing challenges and uncertainties posed by Brexit continue to be important considerations. The University has maintained close liaison with HM Government of Gibraltar, including participation in a Brexit table top exercise, and contributing to HM Government of Gibraltar's technical notice on preparations for the end of the transition period, in relation to studying in the UK, the EU and Gibraltar. The University has also reviewed its Brexit resilience planning in the event of a 'no deal' scenario, and considered aspects related to mutual recognition of professional qualifications. The objective remains to try to anticipate Brexit related risks as far as possible, whilst trying to benefit from new opportunities that could result from Brexit.

For further details regarding Brexit please refer to Financial Risk Management.

## New programmes and courses

As noted in previous annual reports' the early years of the University's establishment require continuing significant investment in developing curriculum material for the new programmes and courses the University has commenced, or plans to roll out over the following twelve months and beyond. The programmes which have been launched from 2018 to date will remain as core University programmes for the foreseeable future. The BSc (Hons) Adult Nursing and MA in Leadership and Management programmes commenced in September 2020, and the BSc (Hons) Maritime Science degrees – with Nautical and Engineering variants – are scheduled to

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# STRATEGIC PLANNING AND REPORTING (CONT.)

commence in September 2021. Development of other programmes also continues, including an Executive MBA with several variants, delivered entirely online by collaborative partner Learna.

There will be continuing significant investment in the University's Parasol Library. Investment of this nature is vital for any university, and this will support new programmes, and also continuing programmes including the University's flagship PhD programme.

From a professional education perspective, well-established professional courses including AAT, CII and the professional certificates for Law and Tax continue but the CILEx courses were discontinued as from September 2020 due to low student numbers. A major new online course – Introduction to Responsible Gaming – commenced in early 2020 to provide essential training for persons employed in the online gambling sector.

There will also be continuing, gradual expansion of activities of the University's Europa Point Language Centre.

## New Centre of Excellence in Responsible Gambling

By early 2021 the University will establish a new Centre of Excellence for Responsible Gambling (CERG), funded by The Gibraltar Gambling Care Foundation.

For further details of the University's new CERG please refer to Financial Review.

## Marketing and student recruitment

In order that the University may be able to progress as required towards greater self-financing it is critical that new and established programmes are successful at a commercial level, as well as meeting rigorous academic or professional standards. Investment in marketing and promotion of the new and continuing programmes has therefore been given and will continue to receive a very high priority. This promotional activity included onsite participation at selected international student recruitment fairs and events prior to the onset of COVID-19. Some events taking place online were also attended virtually, both before and after COVID-19 restrictions commenced. As COVID-19 restrictions ease, the University will determine when it is safe and appropriate to resume physical attendance at recruitment fairs. This marketing investment is

essential as the University seeks to raise its profile and promote its USP's in a competitive international student market. As part of this promotional activity, a small number of international student recruitment agents have also been appointed.

The University continues to work closely with the Civil Status and Registration Office, Department of Employment, and other HM Government of Gibraltar departments to ensure international students are made welcome at the University, including allowing them the possibility of gaining valuable work experience, subject to meeting all required conditions.

## COVID-19

This year the University had to contend with the challenge of the Coronavirus pandemic. The onset of the pandemic was a factor in the decision to defer commencement of the BSc (Hons) Maritime Science degrees until September 2021.

After carefully considering and planning for COVID-19 risks the University was able to commence the new academic term in September 2020 with a full programme of face-to-face teaching, and it is anticipated that this approach, with all appropriate precautionary measures in place, will continue until the pandemic hopefully subsides in 2021.

For further details regarding COVID-19 please refer to Financial Risk Management.

## Donor relationships

Existing strategic donor relationships have continued to add considerable value to University activities and new relationships continue to be explored.

The relationship with the Parasol Foundation Trust, which enabled the University to invest in the University's Parasol Library, and also to fast track the roll out of some key academic programmes, was further strengthened in 2018/19 with the establishment of a scholarship fund that will pay University tuition fees, and some related expenses, for up to five Parasol Scholars enrolled on the University's Bachelor of Business Administration (Hons) programme. In 2019/20 the Parasol Foundation Trust added a new scholarship providing tuition fees and subsistence for a student on the Master in Marine Science and Climate Change programme.

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# STRATEGIC PLANNING AND REPORTING (CONT.)

Discussions are also at an advanced stage for a major new strategic donor relationship with The Gibraltar Gambling Care Foundation, a Gibraltar registered charity, that will finance the establishment of a University Centre of Excellence for Responsible Gambling, which is expected to commence in early 2021.

The University will continue to seek new private funding partnerships, and to reinforce existing donor relationships, to support its curriculum development ambitions as well as fund facilities to enhance the student experience. The University appreciates that private donor organisations must be satisfied their donations to the University fully achieve donor organisations' charitable objects and ambitions, which align with the University's own mission, and the University will spare no effort in liaising with donors to this end. For further details of the University's donor relationships please refer to Operating Review.

## Physical infrastructure

As expected, the construction by HM Government of Gibraltar of two student residential blocks with a total of 144 self-catering student apartments has greatly assisted University efforts to recruit international students, and it is expected these benefits will continue in 2020/21. The student accommodation is managed and maintained by independent managers appointed by HM Government of Gibraltar.

Student rental costs have been benchmarked with those of comparable student accommodation in UK (outside London). The accommodation is available to local and international students of the University.

As reported in previous annual reports, the Campus footprint will approximately double in size with the transfer, which is currently in progress, of the St. Christopher's School site. The manner in which this exciting addition to the University's physical estate is integrated into the present Campus continues under consideration by the University and HM Government of Gibraltar. Extensive refurbishment of this site will be needed to ensure it matches the standards, and can be properly integrated with existing technical infrastructure, of the present Campus. It is anticipated this refurbishment will be staged over several years to keep pace with the University's increasing space requirements.

## Partnerships

The University will continue to seek to extend its international partnerships, including signing Memoranda of Understandings (MoUs) with suitable universities in the UK and elsewhere as opportunities arise. Strategic partnerships include UK universities involved with the development of degree programmes, including BSc Adult Nursing, PGCE, and MA Leadership and Management. They may also include partnerships for delivery of some professional courses, for example Professional Skills Course (Law), and with reputable international business schools.

During 2019/20 the University embarked on a collaborative partnership with Learnia Limited, a UK based company with over 10 years' experience in delivering online courses. The initial agreement provided for an online Executive MBA launched in September 2020 with several variants, and this programme offering is expected to be extended during 2020/21.

For further details of the University's development and performance throughout the financial year and position at the end of the financial year, and its future prospects, please refer to Financial Review.

For a description of the principal risks and uncertainties faced by the University please refer to Financial Risk Management.

The University's wholly owned subsidiary, The

# FINANCIAL REVIEW

University of Gibraltar Limited, a company limited by guarantee and having a share capital, is the University's main operational entity. Other than ownership of the Campus land and buildings, and a limited amount of EU grant funding, the bulk of the University's activities are conducted via this subsidiary company.

The financial statements for the 2019/20 financial year have been presented under Gibraltar Financial Reporting Standard 102 (GFRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition, issued by the Further and Higher Education SORP Board, recognised by the UK Financial Reporting Council Codes and Standards Committee as the SORP making body for further and higher education).

## Annual Income and Deficit

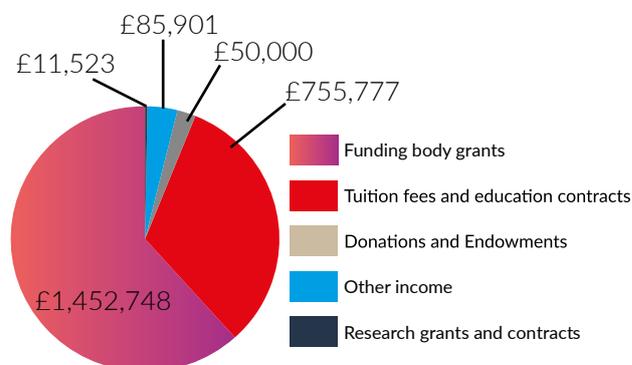
The University's Consolidated Statement of Comprehensive Income for the year ended 31 July 2020 is summarised below, and reflects increased activity in the University's fifth academic year of operation resulting in significantly increased tuition fees income.

The effect of COVID-19 is also apparent from the results presented; specifically the change in reported annual grant income from HM Government of Gibraltar, which is due to timing of tranches having changed from quarterly to monthly, and the decrease in venue hire and other campus related income.

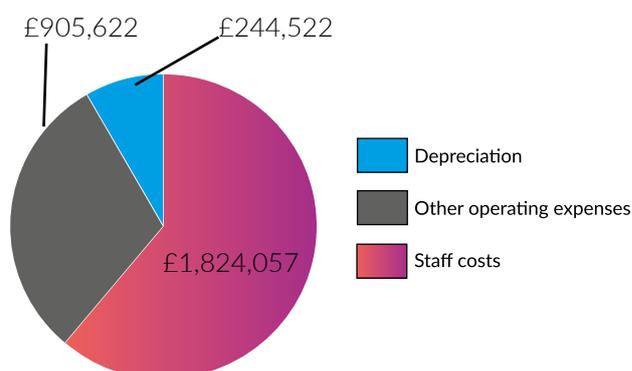
	Year ended 31 July 2020	Year ended 31 July 2019
	£	£
Income	<b>2,355,949</b>	2,831,379
Expenditure	<b>(2,974,201)</b>	(2,849,724)
Loss on disposal of fixed assets	-	(1,356)
<b>Deficit for the year</b>	<b>(618,252)</b>	(19,701)

Total income for the year was £2.36M (2018/19: £2.83M) and total expenditure of £2.97M (2018/19: £2.85M) as follows:

## Income 2019/20



## Expenditure 2019/20



All significant movements in income and expenditure are further explained below.

Donations and Endowments decreased in 2019/20 compared to the previous year due to the donation received from the Kishin Alwani Foundation in 2018/19 of £42,000. Donations in 2019/20 comprise a further £50,000 received from the Parasol Foundation Trust from the original 2017 donation agreement. Donations received are recognised in the Statement of Comprehensive Income under Donations and Endowments on entitlement to the income in accordance with relevant accounting standards. The balance of unexpended restricted donation funds held as at 31 July 2020 in the sum of £43,321 (2018/19: £156,605) in respect of donations with restrictions is shown as part of restricted reserves on Note 16 of the Financial Statements.

# FINANCIAL REVIEW (CONT.)

## Income

Consolidated Income Analysis	Year ended 31 July 2020	Year ended 31 July 2019	Change in year
	£	£	%
Tuition fees and education contracts	<b>755,777</b>	488,682	+55%
Funding body grants	<b>1,452,748</b>	2,046,253	-29%
Research grants and contracts	<b>11,523</b>	78,761	-85%
Other income	<b>85,901</b>	124,683	-31%
Donations and endowments	<b>50,000</b>	93,000	-46%
<b>Total income</b>	<b>2,355,949</b>	2,831,379	-17%

The University again achieved significant growth in tuition fees compared to the previous year and this trend is expected to continue with increased course provision and student enrolments. This year saw a larger proportion of full time students on academic programmes when compared to previous years. Therefore, although actual student numbers did not increase significantly from the previous year the tuition fee income has increased by 55%. Further details on student enrolments can be found in the Operating Review but the following summary illustrates the steady increase over the past four academic years since commencement;

- 2016: 253
- 2017: 277
- 2018: 299
- 2019: 342
- 2020: 349

Tuition fees have increased significantly (by 55% from previous year) and include income from undergraduate, postgraduate (including research awards), professional courses, language and short courses. Note 1 of the Financial Statements demonstrates a further breakdown.

During the academic year 2019/20 the University continued to offer the Bachelor of Business Administration and MSc Marine Science and Climate Change and launched the following two academic

programmes therefore increasing the taught awards and students enrolled:

- Master of Business Administration
- Post Graduate Certificate in Education

Fees received for the flagship PhD research programme accounted for £94K (2018/19: £104K). With the increase in income received from other academic programmes, the percentage of PhD research fees when compared to the total has now decreased. The PhD programme includes two full time Commonwealth Scholarship Award students.

Tuition fees are typically benchmarked by reference to comparable course fees in UK and, where appropriate, to comparable local fees.

The University continued to receive ERASMUS funding for staff and student mobility, however the amount in respect of ERASMUS has decreased this financial year due to cancelled mobilities arising from COVID-19 restrictions. Additionally, several projects came to an end during the financial year 2018/19 and income received from research funding has subsequently decreased.

Other income is comprised mainly of amounts received from venue hire, conferences and examination centre fees, which decreased to £61K this year (2018/19: £84K). The decrease is attributable to a reduced number of events, examination sittings and venue hires due to COVID-19. The decrease in restaurant income to £21K (2018/19: £31K) from the Bistro Point restaurant is also as expected due to the impact of COVID-19. The restaurant was closed for over five months during the financial year.

The main source of income during the financial period continued to be direct grant funding from HM Government of Gibraltar in the sum of £1.5M (2018/19: £2.0M). In accounting terms there has been a decrease in the grant received during the year due to timing differences since only £1.25M was actually received following a change in timing of tranche payments. The financial support provided by HM Government of Gibraltar in the sum of £1.5M per annum remained unchanged from the previous year. The difference between cash received and the amount reported on the financial statements is mainly due to the release of the capital expenditure in accordance with the accounting policy.

The annual funding confirmed by HM Government of

# FINANCIAL REVIEW (CONT.)

## Income Split in 2019/20 and 2018/19



Gibraltar for the financial years ending 31 March 2020 and 31 March 2021 was £1.5M in each year. The University expects direct grant funding to continue although this is expected to decrease over time, as tuition fees and other sources of income increase and the University progresses towards greater self-financing as required by the University of Gibraltar Act. The HM Government of Gibraltar grant received was mainly utilised for recurring and non-recurring operational expenses, with some of the funding also used for the capital items purchased during the year. The grant is recognised as income for the period in line with the accounting policy.

is principally due to increases in the administration and teaching staff complement. The average number of staff during the financial year has increased to 46, which includes permanent as well as part-time tutors (2018/19: average staff 39). This expenditure component is expected to continue to rise in line with increased teaching activity. Staff costs as a percentage of total expenditure were 61% (2018/19: 53%).

## Expenditure

	Year ended 31 July 2020	Year ended 31 July 2019	Change in year
	£	£	%
Staff costs	<b>1,824,057</b>	1,503,972	+21%
Other operating expenses	<b>905,622</b>	1,094,469	-17%
Depreciation	<b>244,522</b>	251,283	-3%
<b>Expenditure</b>	<b>2,974,201</b>	2,849,724	+4%

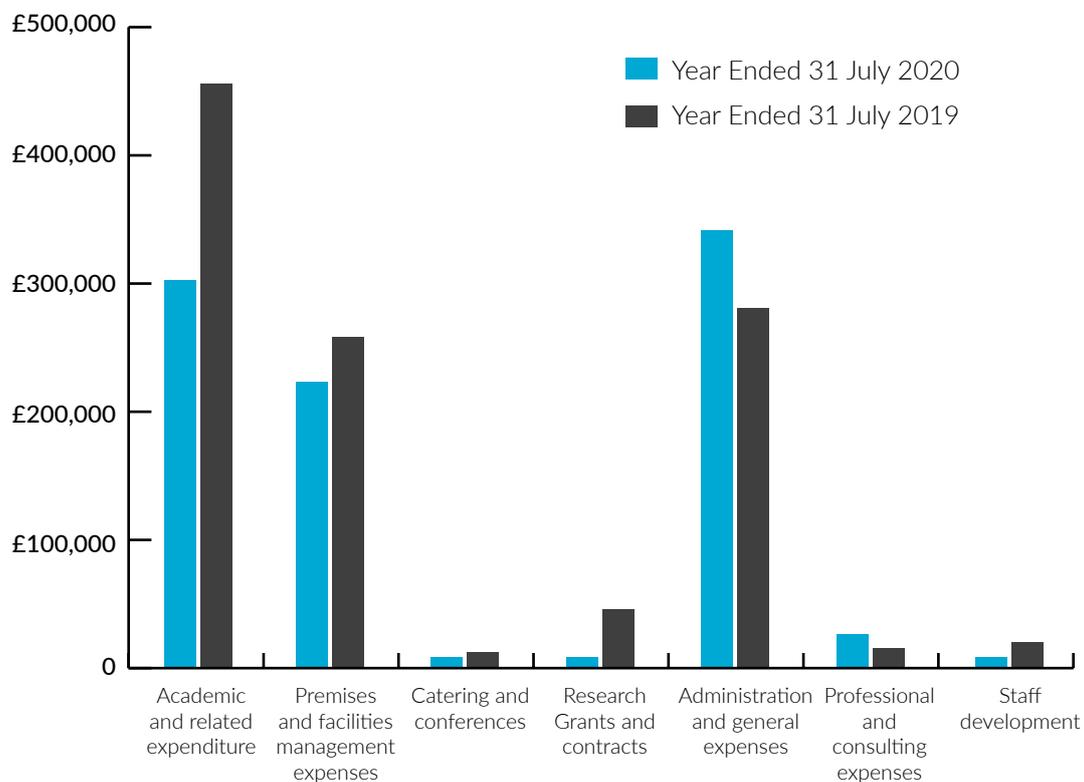
Other operating expenses have decreased due to COVID-19, partly due to staff working from home during part of the year, but it is expected these costs will continue to increase in future years in line with University activity. An analysis of other operating expenses for the current and previous financial year is shown in the graph below. The main items of expenditure in this category are academic and related expenditure, and administration and general expenses. Academic expenditure reflects inter alia increased investment in the development of the University's academic curriculum and infrastructure. This expenditure component is expected to continue but will be expected to decrease as the University consolidates its current programme offering. Expenditure items have generally decreased except for administration and general expenses, which has shown an increase of £43K when compared to the previous year, and a small increase in professional and consulting expenses. The University has had to incur some additional expenses arising from COVID-19 in order to prepare and open the campus for the Academic year commencing September 2020.

Staff costs continued to be the most significant expense item and this has increased by 21% from 2018/19 (15% increase previous year). The University applied cost of living pay increases in 2019 in line with the Gibraltar public sector and the remaining increase

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# FINANCIAL REVIEW (CONT.)

## Analysis of other operating expenses 2019/20 and 2018/19

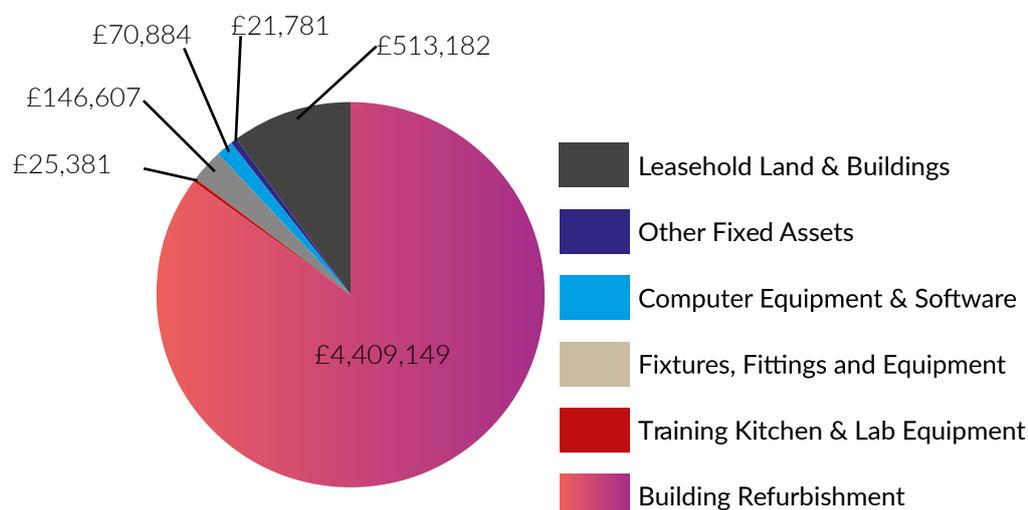


The University has not relied on any external loan finance and therefore has not incurred any resulting interest costs.

# FINANCIAL REVIEW (CONT.)

## Statement of Financial Position

### Tangible Fixed Assets at 31 July 2020



Tangible fixed assets form the largest part of the Statement of Financial Position total with building refurbishment accounting for 85% of the total, and relating to building construction and refurbishment costs prior to opening to convert the University building to its present use. Depreciation is charged in line with the accounting policies for the various classes of property, plant and equipment.

Fixed asset additions during the year totalled £36K (2018/19: £75K) and mainly comprised Computer Equipment and Software (£30K).

The majority of the trade and other receivables sum of £160K (2018/19: £163K) relates to prepayments and accrued income and is comprised of University annual licenses and subscriptions. Other amounts due to the University at the year-end include amounts due in respect of EU funded projects and tuition fees invoiced in advance which have been recorded in deferred income.

Creditors include accruals and deferred income. Deferred income includes a total of £84K in relation to ERASMUS funding received for the period to 31 May 2021, and scholarships in respect of students enrolling in September 2020. Deferred income deriving from tuition fees is £74K (2018/19: £12K). This relates to cross-session courses spanning two academic years and also tuition fee deposits and early payments which were invoiced this year for the first time. The University's tuition fee deposit policy was approved during the year and we will continue to charge tuition

fee deposits as is customary with other universities in UK and elsewhere. Deferred income within Creditors over one year relates entirely to HM Government of Gibraltar grant income which has been used for capital expenditure (as further explained in Notes 14 and 15 to the Financial Statements).

The University's consolidated Statement of Financial Position reflects a total net asset figure of £705K (2018/19: £1.3M), including net current liabilities of £53K (2018/19: net current assets £553K) and a current asset ratio of 0.9 (2018/19: 2.1). This year the University asset ratios and reserves have decreased as we have grown to expand our academic offering and hence increased related expenditure.

### Cash flows

The balances of cash and cash equivalents of £348K at 31 July 2020 reflect a decrease in the level of cash compared to the closing position at 31 July 2019 (£897K). One of the factors contributing to the decrease in cash is the timing of funding body grant tranches since the tranche of £375K previously received in July was not received this year. Instead the funding tranches from HM Government of Gibraltar have been paid monthly from April 2020 to date. Additionally, the decrease in cash balances was as expected partly due to the University having invested in curriculum and resource development during the year in order to develop the portfolio of academic programmes for the following academic years.

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# FINANCIAL REVIEW (CONT.)

## Looking ahead

The University expects that HM Government of Gibraltar funding for recurring expenditure will continue at a broadly comparable level over the term of the University's Strategic Plan in order to support the University's long-term establishment. During this time the University will continue to explore all appropriate measures to become and remain self-financing as it is required to do under section 35(2) of the University of Gibraltar Act. The measures taken along this road include the following;

- The University's budgeted expenditure for the next financial year to 31 July 2021 will be kept within budgeted levels of grant income plus tuition fees and other income received or receivable. No general borrowing, which would require approval from the Minister under s.37 of the Act, or short-term borrowing, which would require approval of the Board under s.38, is anticipated.
- Other than in relation to St Christopher's, capital expenditure is expected to remain comparatively modest for the University's present estate, whilst providing for all essential needs. The position regarding future investment in the new St Christopher's site remains under review and some refurbishment works are expected to commence in the financial year ending 31 July 2021.
- There will continue to be a high priority given to achieving cost savings on routine recurring expenditure wherever possible, always bearing in mind the need to ensure the University is able to maintain quality and achieve the aims set out in its Strategic Plan. The bulk of the University's facilities management services, including equipment maintenance, caretaker services, cleaning, and security, are provided by independent contractors, with the large majority of expenditure being on short-term contracts. These arrangements will continue to be monitored to ensure the University receives value for money.
- Staff recruitment has been and will continue to be pursued on a prudent basis mainly with a view to essential development and provision of academic programmes and professional courses, and support of core services.
- The University must maintain a sustainable model for employment of teaching staff and will pursue engaging lecturers on fixed term contracts, which may be renewed based on performance. At present, the majority of the University tutors and lecturers are engaged on short-term contracts and paid a fixed total sum or hourly based on agreed fixed rates. All University courses require preparation of detailed costings in order to identify any courses that may not cover at least direct costs.
- The University is currently unable to accept any venue hire commitments due to the COVID-19 pandemic and events at the University campus are limited to staff and students for the near future. Income arising from venue hire activity decreased due to the restrictions imposed by the pandemic. However, it is anticipated that venue hire activity will recover once restrictions are lifted, to a level broadly in line with prior years.
- During the year, the University invested in international student recruitment events, online portals and digital marketing campaigns. Our recruitment strategy for the September 2020 intake was reviewed due to the COVID-19 pandemic. The pandemic pushed our teams to double their efforts, implementing innovative digital experiences and opportunities to connect with our Student Experience Office. Recruitment activities from March 2020 to date rely on webinars, digital marketing, online portals, and in-country representatives. The Student Experience Office developed a tailored Customer Relationship Management System, which enables them to track leads and convert them through a personal and streamlined conversion path.
- The University anticipates continued strong growth in student numbers and tuition fees for the remaining term of its Strategic Plan. Further programmes were launched in September 2020 and the Maritime Science degrees are due to be launched in September 2021.
- Private sponsorship funding has been and will continue to be sought from reputable donors wherever possible and to the extent that this aligns with the University's Strategic Plan. Funding provided by the Parasol Foundation Trust, which committed to provide £600,000 over a three year period from October 2017 to December 2020, has been and will continue to be used to support curriculum development and also expenditure directly connected with the University's Parasol

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# FINANCIAL REVIEW (CONT.)

Library. Additional private sponsorships are also sought from local businesses to fund scholarships for students. The Parasol Foundation Trust in January 2019 confirmed additional funding in the sum of £150,000 to provide for up to five financially disadvantaged Bachelor of Business Administration students over a three-year period. Additionally, in September 2020 the Parasol Foundation Trust also funded one MSc Marine Science and Climate Change student who subsequently enrolled on the programme.

- Smaller donations were also received from local organisations, Argus Insurance and RSK Gibraltar, which assisted the University in offering Europa Scholarships and Europa Bursaries to several students who enrolled in September 2019 and September 2020.
- By early 2021 the University will establish a new Centre of Excellence for Responsible Gambling (CERG), funded by The Gibraltar Gambling Care Foundation, a charity registered in Gibraltar. CERG will conduct important research into issues relating to problem gambling, including its causes, identification, mitigation and support for those affected.
- The University published its Strategic Plan 2019-2022 in early 2019, with the latest update on progress to be published in early 2021. This maps the University's direction and priorities over the period of the Plan. For further details of the University's Strategic Plan please refer to Strategic Planning and Reporting.

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# FINANCIAL RISK MANAGEMENT

The University takes the following steps to manage its financial risk:

## COVID-19

The onset of the Coronavirus pandemic in early 2020 and its continuing impact to date has prompted extensive risk management planning. This planning and oversight is led primarily by the University's Business Continuity Team and includes extensive practical measures to enhance health and safety protocols aimed specifically at reducing COVID-19 risks.

This pandemic had potential to severely impact student ability to complete their studies and impact final exam arrangements as well as placements. It also had potential to impact recruitment of international students due to travel restrictions.

Management of the COVID-19 pandemic required the entire University team to act quickly and decisively. Contingency planning started well ahead of the late March 2020 Gibraltar lockdown. This resulted in a smooth transition to staff and faculty working from home and the delivery of education online. Final exams were modified to assignments where possible and special arrangements were made, in consultation with the Department of Education, to ensure that PGCE students were able to complete their placement hours. Lecturers and students were provided support throughout the lockdown period. As the lockdown eased, face to face teaching was gradually re-introduced, with strict adherence to public health guidelines on distancing, sanitation and ventilation, and where needed provision of continuing on-line options. A student survey taken towards the end of the academic year indicated a high level of student satisfaction with being able to continue their studies and the level of support provided.

In terms of recruitment for September 2020 (which will be reported in detail in the 2020-21 report) applications waned with the onset of the pandemic, though never below 2018-2019 levels. However, thanks to the re-focussing of recruitment efforts from face-to-face activities to digital marketing, supported by a media management agency, the University, by and large, achieved budgeted targets, in all except the BSc maritime programme. The launch of this programme being postponed to September 2021.

## Brexit

Brexit continues to give rise to important financial risks that the University will need to manage, including the possible impact on visas for EEA students and also potential issues for existing EU students.

Brexit may also give rise to issues in relation to tuition fees for EU students. This may affect the University's potential to attract EU students. At present the University has followed the advice issued by HM Government of Gibraltar which clarifies that there are no changes to fee categories for EU students for the Academic years 2020/2021 and 2021/2022.

Other Brexit related risks include concerns over continued access to ERASMUS exchange programmes, and to EU research grants under Horizon 2020/EISF. The University has had success in accessing EU research funds and whilst UK universities will have access to funding via the new UK Research Office, the University of Gibraltar does not currently have access to new EU grants.

The University continues to liaise with HM Government of Gibraltar on the above issues.

## Price risk

This is generally low. Tuition fees are generally influenced by market indicators and also by local community needs. Comparable UK tuition fees are monitored by the University prior to launching any new courses, and annually thereafter, and fees will typically be set broadly in line with UK university fees for comparable courses. For example, the fees for the provision of undergraduate degrees in England are currently capped at £9,250 for Home (UK) and EU based students, therefore this will influence comparable University of Gibraltar fees. Account is also taken of fees charged by other local institutions where these may be relevant.

Market trends in pricing are continually monitored by the University Finance team and reviewed to amend pricing policy should the need arise, e.g. as a result of competitors' actions or changes in the UK market.

Other income is made up largely of venue hire services managed by the Campus and Events team. The pricing of these services is mainly influenced by market forces in the local environment.

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# FINANCIAL RISK MANAGEMENT (CONT.)

## Credit risk

This is generally low. Tuition fee income is made up of a comparatively large number of transactions, which from the perspective of the University are individually immaterial. The potential for significant credit risk is therefore kept to a minimum. Where payment instalment plans are made available to students these are offered subject to clear limits. Tuition fees for local students are frequently payable by the Department of Education, which further reduces any credit risk.

Finance staff are also proactive with regard to credit control and follow up on outstanding debts promptly to avoid significant debt problems arising.

## Cash flow and liquidity risk

The University has not required any external loan finance so far and there are no plans for this to change for the foreseeable future.

The University expects that HM Government of Gibraltar will continue as a principal source of funding - this continued Government funding is reflected in latest budgets and forecasts - although as a proportion of total income this funding for recurrent expenditure continues to decline as income from tuition fees continues to reflect strong growth from year to year. The Board of Governors has a reasonable expectation, based on University budgets and confirmation of continued funding at current levels from HM Government of Gibraltar, that the Institution has adequate liquidity resources to continue in operational existence for the next 12 months from the date of these financial statements. The University expects to progress over time towards becoming increasingly self-financing as required by the University of Gibraltar Act 2015.

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# REPORT OF THE BOARD OF GOVERNORS AND CORPORATE GOVERNANCE STATEMENT

## Chancellor \*

The Rt Hon. Sir Lindsay Hoyle MP  
appointed 27/02/2020

The Rt Hon. the Lord Luce KG GCVO DL  
term of appointment ended 28/09/2019

## Vice-Chancellor

Prof. Catherine Bachleda  
appointed 3/06/2019 (date of appointment to the  
Board of Governors appears below)

## Board of Governors \*

Albert Langston, Chairman  
appointed 24/09/2018

Prof. Catherine Bachleda  
appointed 24/05/2018, ex officio member

Paul Bowling  
appointed 24/09/2015, ex officio member

Francis Carreras  
appointed 19/11/2015, appointed for second term  
24/09/2018

Prof. Clive Finlayson  
appointed 23/05/2018

Louise Garcia  
elected staff representative member 14/08/2018,  
two year term of appointment ended 14/08/2020

Christian Camilleri  
elected staff representative member 14/08/2020

Darren Grech  
appointed 24/09/2018

Jacqueline Mason  
appointed 4/06/2018, ex officio member

Prof. Ian Peate  
appointed 23/05/2018

\* The office of the Chancellor is an honorary role and is not remunerated. Members of the Board of Governors are also not remunerated for acting on the Board, save for Prof. Catherine Bachleda and Paul Bowling who are Executive team members.

## Principal address

Europa Point Campus  
Europa Point  
Gibraltar

## Independent Auditor

Deloitte Limited  
Merchant House  
22/24 John Mackintosh Square  
Gibraltar

## Principal Bankers

Gibraltar International Bank Limited  
PO Box 1375  
Ince's House  
310 Main Street  
Gibraltar

Natwest  
PO Box 707  
57 Line Wall Road  
Gibraltar

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# REPORT OF THE BOARD OF GOVERNORS AND CORPORATE GOVERNANCE STATEMENT (CONT.)

## Values

The Board of Governors is committed in its policy and practice to the Core Values and Primary Responsibilities as set out in its internally adopted Code of Practice, which are in keeping with the University's mission and responsibilities. Inter alia, each Member of the Board is committed to:

- a) Act always in the best interests of the University as a whole, recognising that this responsibility over-rides any duty s/he may owe to those electing/appointing him or her.
- b) Act in good faith, honestly and for a proper purpose.
- c) Exercise appropriate care and diligence.
- d) Not improperly use their position to gain an advantage for themselves or someone else.
- e) Disclose and avoid conflicts of interest.

## Legal Status

The University of Gibraltar is a statutory body created by the University of Gibraltar Act 2015. It is also registered under the Charities Act (registered charity number 273).

The University's wholly owned subsidiary, The University of Gibraltar Limited, was incorporated at Companies House as a limited company (registered number 111953) on 18 August 2014, and changed its legal status on 31 July 2017 to a company limited by guarantee. The results of The University of Gibraltar Limited are fully consolidated in these financial statements.

## Regulatory Framework

Under the University of Gibraltar (Regulation and Accountability) Regulations 2018 ('the Regulations'), which were issued in accordance with the University of Gibraltar Act 2015 ('the Act') and which came into force on 31 May 2018, the Gibraltar Regulatory Authority (GRA) was appointed as the University's regulator on 31 May 2018. Also in accordance with the above mentioned Regulations, the GRA issued a Memorandum of Regulation ('the Memorandum'), which came into force on 1 June 2018, setting out how;

- (a) the quality and standards of education in the University shall be monitored;
- (b) compliance by the University with its functions, duties and obligations under the Act shall be monitored;

- (c) the use by the University of its funds including any public funds provided to it shall be monitored;
- (d) other aspects of the University's performance are monitored;
- (e) the University is expected to demonstrate effective governance and accountability; and
- (f) the University's autonomy and academic freedom are maintained.

Overall, this Memorandum requires the University to:

- (a) Give an annual assurance on quality and standards informed by an annual report from the University's Academic Board;
- (b) Arrange periodic external quality assurance reviews and share outcomes with the GRA;
- (c) Share data on student recruitment, retention, completion, destinations and complaints;
- (d) Submit audited accounts to the GRA, complete with a corporate governance statement, statement of primary responsibilities and confirmation that HM Government of Gibraltar funds have been used for the purposes intended;
- (e) Give an annual assurance of compliance by the University with the 2015 Act;
- (f) Share long-term financial forecasts (business plan) with the GRA;
- (g) Submit an annual budget for approval by the Minister;
- (h) Produce - and share with the GRA - annual Audit Committee assurances on internal control and risk management;
- (i) Arrange periodic independent reviews of Board of Governors and Audit Committee effectiveness and share the reports and action plans with the GRA;
- (j) Notify the GRA of any unforeseen material adverse developments that concern quality and standards, finance or internal control; and
- (k) Alert the GRA to any threats to the University's autonomy and academic freedom.

The University Advisory Board (UAB) is an advisory body established by the GRA, whose membership includes persons with extensive experience at senior level within the UK HE sector, and whose role includes advising GRA on the operation of the regulatory framework and the Memorandum of Regulation, and reviewing the GRA's annual risk assessment of the University. The UAB met on two occasions during the reporting period, on 18 October 2019 and on 27 May 2020.

The University of Gibraltar (Academic Board)

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# REPORT OF THE BOARD OF GOVERNORS AND CORPORATE GOVERNANCE STATEMENT (CONT.)

Regulations 2018 ('the Academic Board Regulations') were issued in accordance with the Act, and came into force on 24 September 2018. The Academic Board Regulations established an Academic Board as an autonomous committee of the University with responsibility to the Board of Governors. Its duties involve undertaking the academic governance functions of the University.

## International Quality Review

The University is committed to upholding the highest standards, and policies and quality assurance processes have been designed using external reference points such as the European Standards and Guidelines (ESG) and the Quality Assurance Agency for Higher Education (QAA) UK.

As part of this commitment, the University has commenced the process of an International Quality Review (IQR). Considered essential for the success of the University's strategy for student recruitment from local and international sources, this review will assist the University in its development and in its commitment to providing a high-quality educational experience whilst simultaneously maintaining academic standards that are in line with UK standards. An IQR offers institutions outside UK the opportunity to be reviewed by the UK's QAA. The review benchmarks institutions' quality assurance processes against international quality assurance standards set out in Part 1 of ESG.

It is expected that the QAA IQR seal of approval will effectively reinforce and convey the University's commitment to quality to all current and prospective students, prospective employers and the community.

The QAA was formally engaged by the University in September 2019 and carried out an initial scoping visit in November 2019, after which the University was invited to progress to the full review stage, which is expected to be completed in late 2021.

The University's Academic Quality and Learning Manager will be responsible for ensuring that all University of Gibraltar degrees continue to align with UK HE quality standards, and liaising with the QAA as they carry out the IQR.

## Board of Governors

The Board is the supreme governing body of the University and is therefore collectively accountable for all institutional activities, taking final decisions where required and after full consultation with the Vice-Chancellor on matters of fundamental concern within its remit. It consists at present of nine members, comprising the Vice-Chancellor, the Director of Education, the University's financial comptroller, three members appointed by the Minister with responsibility for the University, the elected staff representative, and two other members appointed by the Board.

The Board is obliged to meet at least once every three months and three members constitute a valid quorum. The following Board meetings were held during the year;

- 5 September 2019
- 19 November 2019
- 19 December 2019
- 23 January 2020
- 5 May 2020
- 21 July 2020

The Board has established an Audit Committee that reports directly to it.

## Audit Committee

The Audit Committee is required to have at least two formal meetings in each financial year. The external auditors or any member of the Board may request a meeting of the Audit Committee if they consider it necessary. The Chair of the Audit Committee is required to be a member of the Board who is neither a member of staff nor a student. Other Audit Committee members comprise at least one but not more than two other members of the University Board who are neither members of staff nor students, plus at least one but not more than two committee members who are not members of the Board.

The Audit Committee's responsibilities are set out in their detailed Terms of Reference. These include inter alia;

- advising the Board of Governors on the terms of engagement, fees, and any questions of resignation or dismissal of the external or internal auditors;
- engaging with the external and internal auditors in

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# REPORT OF THE BOARD OF GOVERNORS AND CORPORATE GOVERNANCE STATEMENT (CONT.)

- relation to the nature and scope of the audit;
- discussing with the external and internal auditors any issues arising from their audit;
- keeping under review the effectiveness of the risk management, control and governance arrangements, and considering the annual risk management report to the Board of Governors;
- reviewing the University's risk assessment and strategy;
- reviewing the external auditors' management letter, and the annual report to the Minister as required under s.44 of the University of Gibraltar Act;
- monitoring annually the performance and effectiveness of external auditors;
- reviewing the internal auditors' risk assessment, strategy and programme, considering major findings and management response;
- promoting co-ordination between internal and external auditors;
- reviewing the annual financial statements of the University and its wholly owned subsidiary in order to be able to recommend these for adoption by the Board of Governors; and,
- reporting to the Board of Governors on any matter which the Audit Committee considers may have an adverse effect on the solvency of the University or the security or integrity of the University's assets.

## Governance Responsibilities

The Vice-Chancellor is the chief executive officer who sets the strategic direction of the University, with the approval of the Board of Governors, and provides it with academic leadership. The Vice-Chancellor recommends to the Board appointments, promotions and removal of members of the teaching and administrative staff and the officers and employees of the University.

The Academic Board has been established to provide academic governance for the University. Leadership of all aspects of the academic activity of the University rests with the Vice-Chancellor, who develops both strategy and policy, and manages operational aspects of this area of work through the executive team and the academic and administrative staff; however, oversight and governance for this activity rests with the Academic Board. While ultimate responsibility for all matters remains with the Board of Governors in accordance with practice in most universities, the Board of Governors delegates this responsibility to

the Academic Board, which also reflects accepted international practice.

The University of Gibraltar Act provides for institutional autonomy and academic freedom for the University. The Act requires that the University, its Board and other constituent bodies shall be free from interference from external bodies, and that principles of freedom of inquiry and research, teaching and expression shall be respected.

The University of Gibraltar Act also requires that the University shall use its best endeavours to become and remain self-financing.

## Autonomy and Academic Freedom

As required by the University of Gibraltar (Regulation and Accountability) Regulations 2018, the University duly confirms in this Corporate Governance Statement that it has been able to operate throughout the reporting period without undue interference from external bodies.

## Statement of Responsibilities of the Board of Governors

The University of Gibraltar Act vests the management, administration and control of the property, revenue and business of the University, in the Board. This includes receiving from the Vice-Chancellor and adopting budgets for operating and capital expenditure, setting fees and entering into agreements. It must at all times manage the expenditures of the University prudently. The Board must arrange for an audit of the University's annual accounts and, with the Vice-Chancellor, must provide an annual report to the Minister with responsibility for the University, which must include a balance sheet and a statement of revenue and expenditure, and the results of the annual audit.

The consolidated financial statements are prepared in accordance with Gibraltar Financial Reporting Standard 102 (GFRS 102), the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019, and applicable laws and regulations.

The Board should not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs, and the statement of comprehensive income for that period, of the University. When preparing the University's

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# REPORT OF THE BOARD OF GOVERNORS AND CORPORATE GOVERNANCE STATEMENT (CONT.)

consolidated financial statements, the Board will;

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- ensure applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the University will continue in operation; and
- ensure there is no relevant audit information of which the company's auditors are unaware.

In addition, the Board has taken reasonable steps to:

- ensure that funds received from HM Government of Gibraltar or private donations and endowments are used only for the purposes for which they have been given;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- secure the economic and effective management of the University's resources and expenditure.

The Board is also responsible for ensuring that the University observes its charitable objects.

## Statement on Disclosure of Information to the Auditors

So far as the Board of Governors is aware, there is no relevant audit related information of which the University's auditors are unaware.

## Statement on Public Benefit

The University is a public benefit entity as defined by GFRS 102. It is a registered charity whose charitable objects are to further its principal mission to respond to current societal needs as well as shape personal and professional futures through the pursuit of education, training, and research. The University's main beneficiaries are its students who are engaged in learning and research. Other beneficiaries may include employers, industry, any party that may benefit from research facilitated by the University, and the community of Gibraltar.

## Risk Management: Statement of internal control

The Board of Governors is responsible for maintaining, and reviewing as appropriate, a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding public and other funds and assets for which it is responsible. This is done in accordance with the responsibilities placed on the Board by the University of Gibraltar Act, including powers to receive from the Vice-Chancellor and adopt with or without modifications the budgets for operating and capital expenditure, and to set fees. The Act imposes restrictions on general and short term borrowing and obliges the Board at all times to manage the expenditures of the University prudently.

The system of risk management and internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. It is based on an on-going process, in accordance with the University's risk management policy, designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. It also takes account of the small size of the University of Gibraltar and the close involvement of the Vice-Chancellor and executive team with daily operations. Risk is considered regularly by the Vice-Chancellor, executive team and Board of Governors in decision making.

The Board of Governors meets regularly to consider strategic, policy and oversight matters, and also annual reports. The Vice-Chancellor and the executive team are responsible for the day to day management of the University, including supervision of risk management, and management and achievement of value for money in their respective areas of operation.

The Audit Committee is required to review the University's risk assessment and strategy, and to ensure that the resources made available for internal financial control are sufficient to meet the University's needs. For further information regarding the Audit Committee's responsibilities please refer to 'Audit Committee' section above.

As indicated in last year's report, the Board, acting through the Audit Committee, appointed independent internal auditors in October 2019. EY were appointed

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# REPORT OF THE BOARD OF GOVERNORS AND CORPORATE GOVERNANCE STATEMENT (CONT.)

as the University's first internal auditors to report on key areas of the University's internal financial controls directly to the Audit Committee. The internal audit report was considered to be satisfactory with some improvement areas identified which have been addressed by the University. The internal auditors' report will assist the Audit Committee in its monitoring of the University's financial health, by checking the implementation of the University's approved strategy with regard to key financial matters, reviewing and testing internal controls, and monitoring arrangements for safeguarding the University's assets.

The Operating and Financial Review set out on pages 10 to 26 was approved by the Board of Governors on 17 December 2020 and signed on its behalf on that date by:

**Albert D Langston MBE, GMD**

Chairman of the Board of Governors

**Prof. Catherine Bachleda**

Vice-Chancellor

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# REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

## Deloitte.

### Opinion

In our opinion the consolidated financial statements and institution financial statements (the 'financial statements') of the University of Gibraltar (the 'University'):

- give a true and fair view of the state of the University's affairs as at 31 July 2020 and of its deficit for the year then ended; and
- have been properly prepared in accordance with Gibraltar Financial Reporting Standards.

We have audited the financial statements which comprise:

- the consolidated and institution statement of comprehensive income;
- the consolidated and institution statement of changes in reserves;
- the consolidated and institution statement of financial position;
- the consolidated cash flow statement;
- the statement of principal accounting policies; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law in Gibraltar and Gibraltar Financial Reporting Standards.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the University in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The Board of Governors are responsible for the other information. The other information comprises the information included 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

### Responsibilities of the Board of Governors for the Financial Statements

The Board of Governors are responsible for the preparation of financial statements that give a true and fair view in accordance with applicable law in Gibraltar and Gibraltar Financial Reporting Standards, and for such internal control as the Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Governors are responsible for assessing 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 the University intends to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

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# REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTD.)



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the University.

- Conclude on the appropriateness of the University's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the University regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Use of our report

This report is made solely to the Board of Governors. Our audit work has been undertaken so that we might state to the Board of Governors 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 Board of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

## Reshma Bhambhwani

For and on behalf of Deloitte Limited

Merchant House  
22/24 John Mackintosh Square  
Gibraltar

17 December 2020

# CONSOLIDATED AND INSTITUTION STATEMENT OF COMPREHENSIVE INCOME

Year Ended 31 July 2020

	Notes	Year ended 31 July 2020		Year ended 31 July 2019	
		Consolidated	Institution	Consolidated	Institution
		£	£	£	£
<b>Income</b>					
Tuition fees and education contracts	1	755,777	-	488,682	-
Funding body grants	2	1,452,748	-	2,046,253	-
Research grants and contracts	3	11,523	11,523	78,761	78,761
Other income	4	85,901	-	124,683	-
Donations and endowments	5	50,000	-	93,000	-
<b>Total income</b>		<b>2,355,949</b>	<b>11,523</b>	<b>2,831,379</b>	<b>78,761</b>
<b>Expenditure</b>					
Staff costs	6	1,824,057	-	1,503,972	-
Other operating expenses	7	905,622	28,269	1,094,469	80,481
Depreciation	9	244,522	-	251,283	5,455
<b>Total expenditure</b>		<b>2,974,201</b>	<b>28,269</b>	<b>2,849,724</b>	<b>85,936</b>
<b>Deficit before other gains or losses</b>		<b>(618,252)</b>	<b>(16,746)</b>	<b>(18,345)</b>	<b>(7,175)</b>
Loss on disposal of tangible assets		-	-	(1,356)	-
<b>Deficit before tax</b>		<b>(618,252)</b>	<b>(16,746)</b>	<b>(19,701)</b>	<b>(7,175)</b>
Taxation	8	-	-	-	-
<b>Deficit for the year</b>		<b>(618,252)</b>	<b>(16,746)</b>	<b>(19,701)</b>	<b>(7,175)</b>
<b>Total deficit for the year</b>		<b>(618,252)</b>	<b>(16,746)</b>	<b>(19,701)</b>	<b>(7,175)</b>
Represented by:					
Endowment comprehensive income for the year	9	(5,455)	(5,455)	(5,455)	(5,455)
Restricted deficit for the year		(113,284)	-	(139,726)	-
Unrestricted deficit / income for the year		(499,513)	(11,291)	125,480	(1,720)
		<b>(618,252)</b>	<b>(16,746)</b>	<b>(19,701)</b>	<b>(7,175)</b>

All items of income and expenditure relate to continuing activities.

# CONSOLIDATED AND INSTITUTION STATEMENT OF CHANGES IN RESERVES

Year Ended 31 July 2020

Consolidated	Income and expenditure account			Total
	Endowment	Restricted	Unrestricted	
	£	£	£	£
<b>Balance at 31 July 2018</b>	524,091	296,331	522,610	1,343,032
Surplus / (Deficit) from the income and expenditure statement	-	50,000	(69,701)	(19,701)
Transfers between endowment and unrestricted income	(5,455)	-	5,455	-
Transfers between restricted and unrestricted income	-	(189,726)	189,726	-
<b>Total comprehensive surplus / (deficit) for the year</b>	<b>(5,455)</b>	<b>(139,726)</b>	<b>125,480</b>	<b>(19,701)</b>
<b>Balance at 31 July 2019</b>	<b>518,636</b>	<b>156,605</b>	<b>648,090</b>	<b>1,323,331</b>
Surplus / (Deficit) from the income and expenditure statement	-	50,000	(668,252)	(618,252)
Transfers between endowment and unrestricted income	(5,455)	-	5,455	-
Transfers between restricted and unrestricted income	-	(163,284)	163,284	-
<b>Total comprehensive deficit for the year</b>	<b>(5,455)</b>	<b>(113,284)</b>	<b>(499,513)</b>	<b>(618,252)</b>
<b>Balance at 31 July 2020</b>	<b>513,181</b>	<b>43,321</b>	<b>148,577</b>	<b>705,079</b>

Institution	Income and expenditure account			Total
	Endowment	Restricted	Unrestricted	
	£	£	£	£
<b>Balance at 31 July 2018</b>	524,091	-	38,454	562,545
Deficit from the income and expenditure statement	-	(7,175)	-	(7,175)
Transfers between endowment and unrestricted income	(5,455)	-	5,455	-
Transfers between restricted and unrestricted income	-	7,175	(7,175)	-
<b>Total comprehensive deficit for the year</b>	<b>(5,455)</b>	<b>-</b>	<b>(1,720)</b>	<b>(7,175)</b>
<b>Balance at 31 July 2019</b>	<b>518,636</b>	<b>-</b>	<b>36,734</b>	<b>555,370</b>
Deficit from the income and expenditure statement	-	(16,746)	-	(16,746)
Transfers between endowment and unrestricted income	(5,455)	-	5,455	-
Transfers between restricted and unrestricted income	-	16,746	(16,746)	-
<b>Total comprehensive deficit for the year</b>	<b>(5,455)</b>	<b>-</b>	<b>(11,291)</b>	<b>(16,746)</b>
<b>Balance at 31 July 2020</b>	<b>513,181</b>	<b>-</b>	<b>25,443</b>	<b>538,624</b>

# CONSOLIDATED AND INSTITUTION STATEMENT OF FINANCIAL POSITION

As at 31 July 2020

	Notes	As at 31 July 2020		As at 31 July 2019	
		Consolidated	Institution	Consolidated	Institution
		£	£	£	£
<b>Non-current assets</b>					
Tangible assets	9	5,186,984	513,182	5,395,187	518,637
Investment in subsidiaries	10	-	1,000	-	1,000
		<b>5,186,984</b>	<b>514,182</b>	<b>5,395,187</b>	<b>519,637</b>
<b>Current assets</b>					
Stock	11	3,488	-	3,783	-
Trade and other receivables	12	160,026	24,442	163,389	41,953
Cash and cash equivalents	17	348,104	-	897,529	-
		<b>511,618</b>	<b>24,442</b>	<b>1,064,701</b>	<b>41,953</b>
Less: Creditors; amounts falling due within one year	13	(564,242)	0	(511,289)	(6,220)
<b>Net current (liabilities) / assets</b>		<b>(52,624)</b>	<b>24,442</b>	<b>553,412</b>	<b>35,733</b>
<b>Total assets less current liabilities</b>		<b>5,134,360</b>	<b>538,624</b>	<b>5,948,599</b>	<b>555,370</b>
Creditors: amounts falling due after more than one year	14	(4,429,281)	-	(4,625,268)	-
<b>Total net assets</b>		<b>705,079</b>	<b>538,624</b>	<b>1,323,331</b>	<b>555,370</b>
<b>Restricted Reserves</b>					
Income and expenditure reserve - restricted reserve	16	43,321	-	156,605	-
Income and expenditure reserve - endowment reserve	15	513,181	513,181	518,636	518,636
<b>Unrestricted Reserves</b>					
Income and expenditure reserve - unrestricted		148,577	25,443	648,090	36,734
<b>Total Reserves</b>		<b>705,079</b>	<b>538,624</b>	<b>1,323,331</b>	<b>555,370</b>

The financial statements were approved by the Board of Governors on 17 December 2020 and were signed on its behalf on that date by:

**Albert D Langston MBE, GMD**  
Chairman of the Board of Governors

**Prof. Catherine Bachleda**  
Vice-Chancellor

The accompanying notes and policies on pages 39 to 51 form part of these financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

Year Ended 31 July 2020

	Notes	Year ended 31 July 2020	Year ended 31 July 2019
		£	£
<b>Cash flow from operating activities</b>			
Deficit for the year		<b>(618,252)</b>	(19,701)
<b>Adjustment for non-cash items</b>			
Depreciation	9	<b>244,522</b>	251,283
Decrease in stock	11	<b>295</b>	1,399
Decrease / (increase) in debtors	12	<b>3,363</b>	(32,139)
Decrease in creditors	13,14	<b>(143,034)</b>	(68,079)
Loss on the sale of fixed assets	9	-	1,356
<b>Adjustment for investing or financing activities</b>			
Release of donations with restrictions to restricted reserve	5	<b>(50,000)</b>	(50,000)
Other donations received	5	-	(43,000)
<b>Cash flows from operating activities</b>		<b>(563,106)</b>	41,119
<b>Net cash (outflow) / inflow from operating activities</b>		<b>(563,106)</b>	41,119
<b>Cash flows from investing activities</b>			
Payments made to acquire fixed assets	9	<b>(36,319)</b>	(75,462)
<b>Cash flows from financing activities</b>			
Donations received		<b>50,000</b>	93,000
<b>(Decrease) / increase in cash and cash equivalents in the year</b>		<b>(549,425)</b>	58,657
Cash and cash equivalents at beginning of the year	17	<b>897,529</b>	838,872
Cash and cash equivalents at end of the year	17	<b>348,104</b>	897,529

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# STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Year Ended 31 July 2020

## **A. General information**

The Institution of the University of Gibraltar is a registered Charity in Gibraltar. The address of the registered office is Europa Point Campus, Europa Point, Gibraltar.

The Institution operates as a University based in Gibraltar and its principal activity is to provide higher education taught and research awards. The University also offers professional and short courses on a part-time basis to local and regional students and the campus also operates as an exam centre and venue hire facility.

## **B. Statement of compliance**

The Consolidated and Institution financial statements have been prepared in accordance with Gibraltar Accounting Standards, including Financial Reporting Standard. (GFRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). The University is a public benefit entity and therefore has applied the relevant public benefit disclosure requirements of GFRS 102.

## **C. Basis of preparation**

The Consolidated and Institution financial statements have been prepared under the historical cost convention .

The Institution's activities, together with the factors likely to affect its future development, performance and position, are set out in the operational and financial review which forms part of the Board of Governors' Report. The Board of Governors' Report also describes the financial position of the Institution, its cash flows, liquidity position and any relevant borrowing facilities. The Board of Governors has a reasonable expectation, based on University budgets and confirmation of continued funding at current levels from HM Government of Gibraltar, that the Institution has adequate resources to continue in operational existence for the next 12 months from the date of these financial statements. Thus it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

No additional going concern disclosures are considered necessary when taking into account COVID-19.

The financial statements are prepared in GBP which is the functional currency of the group and rounded to the nearest £.

## **D. Exemptions under GFRS 102**

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

## **E. Basis of consolidation**

The consolidated financial statements include the University and its wholly owned subsidiary The University of Gibraltar Limited for the financial year to 31 July 2020. The subsidiary has been consolidated and intra-group transactions are eliminated on consolidation.

As required by the SORP, a separate Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Reserves for the Institution are presented.

## **F. Income recognition**

Income from the sale of goods, including merchandise sold by the University of Gibraltar gift shop or services, including tuition fees, examination fees and venue hire charges, is credited to the Statement of Comprehensive Income when the goods or services are supplied to external customers or the terms of the contract have been satisfied.

Tuition 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.

Income from research grants, contracts and other services rendered is included to the extent of completion of the contract or service concerned. Amounts received in relation to EU research projects are recognised as income on a systematic basis in the period to which it relates.

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

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# STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONT.)

Year Ended 31 July 2020

## **Grant funding**

Government revenue grants including funding body block grant and research grants are recognised in income over the periods in which the Institution recognises the related costs for which the grant is intended to compensate. HM Government of Gibraltar grant income is recognised on an accruals basis and is used for capital and operational expenditure as necessary. Government grants used for capital expenditure are recognised in income over the expected useful life of the asset.

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 Institution is entitled to the income and performance related conditions have been met.

## **Donations and endowments**

Donations and endowments with donor imposed restrictions are recognised in income when the Institution 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 Institution is entitled to the funds.

There are three 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 donations - the donor has not specified an objective for the donation.
3. Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible assets, and the Institution has the power to use the capital.

## **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 the Institution is entitled to the funds subject to any performance related conditions being met.

The transfer of the land and buildings to the University by HM Government of Gibraltar at fair value has been recorded as endowment income. This takes account of restrictions on the permitted use of the land and buildings which must be for the pursuit of education, training and research.

## **G. Accounting for retirement benefits**

The University does not offer its own pension scheme but it may contribute to two defined contribution occupational pension schemes administered by HM Government of Gibraltar which are available to eligible staff, the Guaranteed Superannuation Fund (GSF) and the Gibraltar Provident Trust No 2 (GPT2). Contributions are charged as an expense to the Statement of Comprehensive Income where already paid by the year-end, or are recognised as a liability where they are due but not paid by the year-end.

## **H. 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 Institution. Any unused benefits are accrued and measured as the additional amount the Institution expects to pay as a result of the unused entitlement.

## **I. Foreign currency**

Foreign currency transactions are translated into the functional currency (GBP) using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

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# STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONT.)

Year Ended 31 July 2020

## J. Property, plant and equipment

### Land and buildings

Land and buildings are capitalised at cost on initial recognition.

Leasehold land and building fixed assets were transferred to the University on the 1st September 2015 on a 99 year lease. They are now carried at fair value. Any subsequent additions to land and buildings are to be included at cost. Expenditure to ensure that a tangible fixed asset maintains its previously recognised standard of performance is recognised in the Statement of Comprehensive Income in the period it is incurred.

After initial recognition land and buildings are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the Institution.

Land and buildings are depreciated on a straight line basis over their expected useful lives as follows:

Leasehold land and buildings	99 years
------------------------------	----------

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

### Building refurbishment

Building refurbishment is based on the cost of the extensive refurbishment which took place prior to the University's inauguration.

The refurbishment is stated at cost and depreciated over its expected useful life as follows:

Building refurbishment	100 years
------------------------	-----------

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

### Equipment

Equipment is capitalised at cost on initial recognition and then subsequently at cost less accumulated depreciation and accumulated impairment losses.

Equipment, including computers and software, costing less than de minimus per individual item is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Training Kitchen & Lab Equipment	5 years
Fixtures, Fittings & Equipment	10 years
Computer Equipment & Software	5 years
Other fixed assets	10 years

Where an item of equipment comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

### Impairment

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

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# STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONT.)

Year Ended 31 July 2020

## **K. Investments**

Investments in subsidiaries are carried at cost less impairment in the Institution's separate financial statements.

Investments are held in the Statement of Financial Position as basic financial assets and are measured in accordance with the accounting policy.

## **L. Stock**

Stock is held at the lower of cost and net realisable value, and is measured using weighted average methodology.

## **M. 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 (maturity being less than three months from the placement date), highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

## **N. Provisions, contingent liabilities and contingent assets**

Provisions are recognised in the financial statements when:

- (a) the Institution has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

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

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

The University believes there are no provisions, or contingent assets or liabilities, that currently require disclosure, following consideration and review by management.

## **O. Reserves**

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

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

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 July 2020

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated	Institution	Consolidated	Institution
Notes	£	£	£	£
<b>1. Tuition fees and education contracts</b>				
<u>Academic Awards</u>				
Full-time home and EU students	<b>256,650</b>		34,306	
Full-time international students	<b>35,283</b>	-	9,250	-
Part-time home and EU students	<b>150,415</b>	-	131,997	-
<u>Other Courses</u>				
Part-time course and short course	<b>313,429</b>		313,129	
	<b>755,777</b>	-	488,682	-
<b>2. Funding body grants</b>				
<b>Government Grant</b>				
HM Government of Gibraltar	<b>1,452,748</b>	-	2,046,253	-
	<b>1,452,748</b>	-	2,046,253	-
<p>The total HM Government of Gibraltar grant funding for the period from commencement in August 2014 to the 31 July 2020 is £14,000,000. This amount is on a cash spent basis and therefore differs from the Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position which are stated on an accruals basis.</p> <p>The HM Government of Gibraltar tranches changed to monthly £125,000 tranches in April 2020 and therefore the annual allocation was £1,250,000 this financial year due to timing.</p>				
<b>3. Research grants and contracts</b>				
EU research projects	<b>11,523</b>	<b>11,523</b>	78,761	78,761
	<b>11,523</b>	<b>11,523</b>	78,761	78,761
<p>Amounts in respect of EU research projects recognised for the period are in relation to ERASMUS funding for staff mobility projects. An adjustment in relation to income receivable in respect of the Sudoe ClimACT project has also been recognised in the year ended 31 July 2020.</p>				
<b>4. Other income</b>				
Venue hire, examination centre and conferences	<b>60,954</b>	-	83,674	-
Restaurant income	<b>20,879</b>		31,489	
Student shop income	<b>360</b>	-	768	-
Other income	<b>3,708</b>	-	8,752	-
	<b>85,901</b>	-	124,683	-
<b>5. Donations and endowments</b>				
Donations with restrictions	<b>50,000</b>	-	50,000	-
Unrestricted donations	-	-	43,000	-
	<b>50,000</b>	-	93,000	-

During the financial year the donations received were from the Parasol Foundation Trust (£50,000). All donations with restrictions are applied in accordance with the donor agreements.

# NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

Year Ended 31 July 2020

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated	Institution	Consolidated	Institution
Notes	£	£	£	£
<b>6. Staff Costs</b>				
Staff Costs :				
Salaries	<b>1,586,153</b>	-	1,313,924	-
Social security costs	<b>81,289</b>	-	65,838	-
Other pension costs	<b>132,753</b>	-	110,442	-
Holiday pay accrual expense	<b>23,862</b>	-	13,768	-
	<b>1,824,057</b>	-	1,503,972	-

	Year ended 31 July 2020	Year ended 31 July 2019
Total remuneration of the head of the institution	£	£
Basic salary	<b>102,114</b>	89,230
Bonus	-	5,000
Employer's Pension cost	<b>12,738</b>	11,154
	<b>114,852</b>	105,384

The Vice-Chancellor reports to the Chair of the Board of Governors who undertakes an annual review of her performance against the University's overall strategic objectives using both qualitative and quantitative measures of performance.

i. The head of the provider's basic salary is 2.70 times the median pay of staff (2019: 2.63 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

ii. The head of the provider's total remuneration is 2.85 times the median total remuneration of staff (2019: 2.75 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

The number of staff with a basic salary of over £70,000 per annum has been included below.

	Year ended 31 July 2020	Year ended 31 July 2019
	No.	No.
£70,000-£79,999	<b>1</b>	2
£80,000-£89,999	<b>3</b>	2
£90,000-£99,999	<b>1</b>	1
£100,000-£109,999	<b>1</b>	-
	<b>6</b>	5
<b>Average staff numbers by major category :</b>	<b>No.</b>	<b>No.</b>
Academic & research (including part-time teaching staff)	<b>23</b>	17
Central Administration	<b>18</b>	19
Campus	<b>5</b>	3
	<b>46</b>	39

# NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

Year Ended 31 July 2020

## 6. Staff costs (continued)

### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Institution. Staff costs includes compensation paid to key management personnel.

The Key management personnel are the Vice-Chancellor and the University Executive team. Compensation consists of salary and benefits including any employer's pension contribution.

	Year ended 31 July 2020	Year ended 31 July 2019
	£	£

<b>Key management personnel compensation</b>	<b>583,123</b>	529,418
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	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated	Institution	Consolidated	Institution
	£	£	£	£

## 7. Analysis of other operating expenses

Academic and related expenditure	<b>302,714</b>	-	424,443	-
Premises and facilities management expenses	<b>218,988</b>	-	247,283	-
Catering and conferences	<b>149</b>	-	6,928	-
Research grants and contracts	<b>28,269</b>	<b>28,269</b>	85,481	80,481
Administration and general expenses	<b>326,457</b>	-	283,836	-
Professional and consulting expenses	<b>27,545</b>	-	21,534	-
Staff development	<b>1,500</b>	-	24,964	-
	<b>905,622</b>	<b>28,269</b>	1,094,469	80,481

Other operating expenses include:

External auditors remuneration in respect of audit services	<b>15,450</b>	-	15,895	-
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## 8. Taxation

In accordance with the University of Gibraltar Act 2015, unless otherwise provided in an Act, any University income and property are exempt from taxation.

This exemption extends to any subsidiary company of the University.

# NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

Year Ended 31 July 2020

9. Tangible assets							
Consolidated	Leasehold Land & Buildings	Building Refurbishment	Training Kitchen & Lab Equipment	Fixtures, Fittings & Equipment	Computer Equipment & Software	Other fixed assets	Total
	£	£	£	£	£	£	£
<b>Cost or valuation</b>							
At 1 August 2019	540,000	4,641,098	450,086	260,611	399,835	34,898	6,326,528
Additions	-	-	699	2,957	30,286	2,377	36,319
<b>At 31 July 2020</b>	<b>540,000</b>	<b>4,641,098</b>	<b>450,785</b>	<b>263,568</b>	<b>430,121</b>	<b>37,275</b>	<b>6,362,847</b>
<b>Depreciation</b>							
At 1 August 2019	21,363	185,538	335,247	90,604	286,823	11,766	931,341
Charge for the year	5,455	46,411	90,157	26,357	72,414	3,728	244,522
<b>At 31 July 2020</b>	<b>26,818</b>	<b>231,949</b>	<b>425,404</b>	<b>116,961</b>	<b>359,237</b>	<b>15,494</b>	<b>1,175,863</b>
<b>Net book value</b>							
<b>At 31 July 2020</b>	<b>513,182</b>	<b>4,409,149</b>	<b>25,381</b>	<b>146,607</b>	<b>70,884</b>	<b>21,781</b>	<b>5,186,984</b>
At 31 July 2019	518,637	4,455,560	114,839	170,007	113,012	23,132	5,395,187

Institution	Leasehold Land & Buildings	Building Refurbishment	Training Kitchen & Lab Equipment	Fixtures, Fittings & Equipment	Computer Equipment & Software	Other fixed assets	Total
	£	£	£	£	£	£	£
<b>Cost or valuation</b>							
At 1 August 2019	540,000	-	-	-	-	-	540,000
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>At 31 July 2020</b>	<b>540,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>540,000</b>
<b>Depreciation</b>							
At 1 August 2019	21,363	-	-	-	-	-	21,363
Charge for the year	5,455	-	-	-	-	-	5,455
<b>At 31 July 2020</b>	<b>26,818</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,818</b>
<b>Net book value</b>							
<b>At 31 July 2020</b>	<b>513,182</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>513,182</b>
At 31 July 2019	518,637	-	-	-	-	-	518,637

On the 1st September 2015 leasehold land and buildings were endowed by HM Government of Gibraltar to the University on a 99 year lease. The land and buildings were later valued for accounting purposes at £540,000 at the date of transfer which is the estimated fair value of the asset.

On the 15th June 2017 a 7 year sub-lease was granted to Lord Nelson Limited in respect of the restaurant area, which led to the opening of Bistro Point Restaurant on the 20th October 2017. The restaurant is independently operated by the Hunter Group in return for a turnover based rent.

# NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

Year Ended 31 July 2020

10. Non-current investments				
	As at 31 July 2020		As at 31 July 2019	
	Consolidated	Institution	Consolidated	Institution
	£	£	£	£
<b>Investment in subsidiaries (a)</b>	-	<b>1,000</b>	-	1,000
		<b>1,000</b>		1,000

(a) Investment in subsidiary	As at 31 July 2020		As at 31 July 2019	
	Consolidated	Institution	Consolidated	Institution
	£	£	£	£
At cost less impairment:		<b>1,000</b>		1,000
At 1 August 2019	-	<b>1,000</b>	-	1,000
Additions	-	-	-	-
Disposals	-	-	-	-
<b>At 31 July 2020</b>	-	<b>1,000</b>	-	1,000

The University holds all issued shares in the following company which has been incorporated in Gibraltar and whose results are consolidated into these financial statements;

Company	Principal Activity	Status	Holding	Registered office
The University of Gibraltar Limited	Commercial and operational activity	100% owned and controlled	Ordinary shares	206-210 Main Street, Gibraltar

11. Stock				
	As at 31 July 2020		As at 31 July 2019	
	Consolidated	Institution	Consolidated	Institution
	£	£	£	£
Finished goods	<b>3,488</b>	-	3,783	-
	<b>3,488</b>	-	3,783	-

# NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

Year Ended 31 July 2020

12. Trade and other receivables				
	As at 31 July 2020		As at 31 July 2019	
	Consolidated	Institution	Consolidated	Institution
	£	£	£	£
Amounts falling due within one year:				
Research grants receivable	10,986	10,986	41,953	41,953
Other receivables	57,198	13,456	51,315	-
Prepayments and accrued income	91,842	-	70,121	-
	<b>160,026</b>	<b>24,442</b>	163,389	41,953

13 Creditors : amounts falling due within one year				
	As at 31 July 2020		As at 31 July 2019	
	Consolidated	Institution	Consolidated	Institution
	£	£	£	£
Trade payables	20,187	-	84,161	-
Other creditors	47,811	-	21,900	6,220
Accruals and deferred income	496,244	-	405,228	-
	<b>564,242</b>	-	511,289	6,220

## Deferred income

Included with accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

	As at 31 July 2020		As at 31 July 2019	
	Consolidated	Institution	Consolidated	Institution
	£	£	£	£
Tuition fees	74,807	-	12,021	-
Deferred income - research grants & scholarships	84,225	-	62,187	-
Deferred HM Government of Gibraltar - capital expenditure	244,522	-	251,283	-
	<b>403,554</b>	-	325,491	-

# NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

Year Ended 31 July 2019

14. Creditors: amounts falling due within one year				
	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated	Institution	Consolidated	Institution
	£	£	£	£
Deferred income	4,429,281	-	4,625,268	-
	4,429,281	-	4,625,268	-

Deferred income relates entirely to HM Government of Gibraltar grant income which has been used for capital expenditure and is therefore recognised as income over the expected useful lives of the assets acquired, in accordance with fixed asset depreciation policies as described in the Statement of Principal Accounting Policies. Any such deferred income is allocated between creditors due within one year and due after more than one year as appropriate.

15. Endowment reserves				
Consolidated and institution		Restricted permanent endowments	2020	2019
			Total	Total
Balances at 1 August 2019		£	£	£
Capital		518,636	518,636	524,091
		518,636	518,636	524,091
Release of endowment charged in comprehensive income statement		(5,455)	(5,455)	(5,455)
Total endowment comprehensive income for the year		(5,455)	(5,455)	(5,455)
<b>At 31 July 2020</b>		513,181	513,181	518,636
<b>Represented by:</b>	Capital	513,181	513,181	518,636
		513,181	513,181	518,636
<b>Analysis by type of purpose &amp; asset class:</b>	Leashold land and buildings	513,181	513,181	518,636
<b>Analysis by asset:</b>	Tangible assets	513,181	513,181	518,636

# NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

Year Ended 31 July 2020

## 16. Restricted Reserves

Reserves with restrictions are as follows:

	Donations	2020 Total	2019 Total
Consolidated and Institution	£	£	£
<b>Balances at 1 August 2019</b>	<b>156,605</b>	<b>156,605</b>	296,331
New donations	<b>50,000</b>	<b>50,000</b>	50,000
Expenditure	<b>(163,284)</b>	<b>(163,284)</b>	(189,726)
Restricted comprehensive income for the year	<b>11,291</b>	<b>11,291</b>	7,175
Transfers between restricted and unrestricted reserve	<b>(11,291)</b>	<b>(11,291)</b>	(7,175)
<b>Total restricted comprehensive income for the year</b>	<b>(113,284)</b>	<b>(113,284)</b>	(139,726)
<b>At 31 July 2020</b>	<b>43,321</b>	<b>43,321</b>	156,605

	2020 Total	2019 Total
	Total	Total
Analysis of other restricted funds /donations by type of purpose:	£	£
<b>General</b>	<b>43,321</b>	156,605

**43,321** 156,605

University donations with restrictions with general purpose are to be used for curriculum development, the development of the library and other university activities.

## 17. Cash and cash equivalents

	At 1st August 2020	Cash Flows	At 31st July 2019
	£	£	£
Consolidated Cash and cash equivalents	<b>348,104</b>	(549,425)	897,529
	<b>348,104</b>	(549,425)	897,529

A total of £43,321 included in the balance of cash and cash equivalents as at the 31 July 2020 is in respect of restricted donations.

# NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

Year Ended 31 July 2020

## 18. Pension schemes

Eligible University staff can opt for either of two defined contribution pension schemes administered by HM Government of Gibraltar; Guaranteed Superannuation Fund (GSF) and the Gibraltar Provident Trust No 2 (GPT2). Most pensionable staff members opted for the GSF option.

	Notes	Year ended 31 July 2020	Year ended 31 July 2019
		Consolidated £	Consolidated £
GPT2 contributions paid		<b>22,643</b>	17,559
GSF contributions paid		<b>110,110</b>	92,883
	<b>6</b>	<b>132,753</b>	110,442

The GSF being where the bulk of pension contributions are maintained is held in trust via a Government Special Fund - the Government Trusts Fund established under the Public Finance (Control and Audit) Act. The Scheme funds are invested in the Guaranteed Superannuation Fund Bond issued by the Gibraltar Savings Bank. GPT2 contributions are also credited to a Government Special Fund - the Government Trusts Fund.

## 19. Related party transactions

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

Non-executive members of the Board of Governors do not receive remuneration in respect of their roles as Governors.

Relevant significant relationships held by non-executive members of the Board of Governors who served in the year are as follows. For full analysis of movements in the Board of Governors please refer to our Report of the Board of Governors and Corporate Governance Statement:

- i) Albert Langston is non- executive Chairman of Gibraltar International Bank.
- ii) Francis Carreras was Commissioner of Income Tax, HM Government of Gibraltar (retired).
- iii) Prof. Clive Finlayson is Director, Chief Scientist & Curator at the Gibraltar Museum.
- iv) Darren Grech is Chief Secretary, HM Government of Gibraltar.
- v) Jackie Mason is Director of Education, HM Government of Gibraltar.
- vi) Prof. Ian Peate is Head of School of Health Studies at Gibraltar Gibraltar Health Authority.

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## ACADEMIC BOARD

Professor Catherine Bachleda (Chair)  
Professor David Abulafia  
Dr Keith Bensusan  
Dr Darren Fa  
Dr Martin Hale  
Professor John White  
Mr Albert Gonzalez

Vice-Chancellor, chair AQSC  
External member  
Chair RRDC  
Director of Academic Programmes and Research  
Academic Staff representative  
External member  
Student Representative

## UNIVERSITY BEACON PROFESSORS AND VISITING PROFESSORS

Professor David Abulafia  
Professor John Cortes  
Professor Clive Finlayson

## EXECUTIVE TEAM

Professor Catherine Bachleda  
Paul Bowling  
Christian Celecia

Nadine Collado

Dr Darren Fa  
Krystle Robba

Vice-Chancellor, chair Academic Board  
Chief Financial and Operations Officer  
Director of Information and Communication Technologies  
Director of Professional Development & Continuing Education  
Director of Academic Programmes and Research  
Registrar

## AUDIT COMMITTEE

Frank Carreras (Chair) OBE GMD  
Albert Langston MBE GMD  
Desiree McHard

Board of Governors, University of Gibraltar  
Chair of Board of Governors, University of Gibraltar  
Managing Director, BDO Gibraltar

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# KEY ADVISORY GROUPS

## Business Key Advisory Group

Stephen Reyes (Chair)  
Janet Brear  
Daniel Delgado  
Joey Imossi  
Edward Macquisten  
Johnathan Almeida  
Lorraine Povedano  
Allan Sene  
Nadine Collado

## Law Key Advisory Group

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Lloyd De Vincenzi  
Charles Gomez  
Nicholas Gomez  
Nyreen Llamas  
Karl Tonna  
Kenneth Navas  
Nadine Collado

## Silver Education Key Advisory Group

Tonia Brooks (Chair)  
Ernest Collado  
Joe Hernandez  
Leslie Lester  
Norman Santos  
Margaret Sheriff  
Rose Tilbury  
Annette Tunbridge  
Julio Alcantara  
Dinah Ferro  
Nadine Collado

## Sports Key Advisory Group

Reagan Lima (Chair)  
Kenneth Asquez  
Kim Chang  
Moirá Gomez  
John Gonçalves  
Joe Hernandez  
Sally Holmes  
Harry Murphy  
Stephen Payas  
Ian Torrilla  
Maurice Stagnetto  
Nadine Collado

## Tourism & Hospitality Key Advisory Group

Nuria Saccone  
Nicky Guerrero  
George Desoisa  
Sixto Parody  
John Paul Risso  
Eran Shay  
Tracy Lee  
Lali Cortes  
Franco Ostuni  
Marc Skvorc  
Nadine Collado

## New Technologies in Education Key Advisory Group

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