

# Financial Statements

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FOR THE YEAR TO 31 JULY 2024



# Contents

Operating and Financial Review	<b>04 - 13</b>
Managing Risk	<b>14 - 15</b>
Corporate Governance Statement	<b>16 - 19</b>
Statement of Internal Control	<b>20 - 21</b>
Statement of the Council's Responsibilities	<b>22 - 23</b>
Statement Primary Responsibilities	<b>24 - 25</b>
Independent Auditors' Report to the Council of Ulster University	<b>26 - 29</b>
Statement of Principal Accounting Policies	<b>30 - 37</b>
Group and University Statement of Comprehensive Income	<b>38</b>
Group and University Statement of Changes in Reserves	<b>39 - 40</b>
Balance Sheets	<b>41</b>
Group Cash Flow Statement	<b>42</b>
Notes to the Financial Statements	<b>43 - 61</b>

# Operating and Financial Review

Financial performance during the year shows a surplus of £83.3m (2022/23: surplus £38.3m). This includes a net credit of £85.8m (2022/23: credit £25.2m) due to pension funds activity in the USS and NILGOSC pension schemes. The balance sheet has strengthened with total net assets increasing to £445m (2022/23: £362m) reflecting cash surpluses generated during the year and the release of the USS pension liability.

## Scope of Financial Statements

The financial statements presented to the University's Council have been prepared on a consolidated basis and include the results of Ulster University and its subsidiary companies Innovation Ulster Limited and Studio Ulster Limited. This report should be read with the Annual Review 2024 which provides a detailed summary of activities undertaken by the University in delivering its corporate objectives.

## Public Benefit

The University is an independent educational charity whose legal status is derived from a Royal Charter granted in 1984.

Ulster University's charitable purpose is the advancement of education. In setting and reviewing the University's objectives and activities, Council has given due regard to relevant guidance on the reporting of public benefit, in particular, the Charity Commission's supplementary public benefit guidance on the advancement of education. We deliver our charitable purpose for the public benefit, by implementing our corporate plan and delivering on those strategic aims and objectives approved by Council to shape our academic portfolio in response to the demands of students and employers, and to deliver research and innovation that achieves economic and social transformation.

**The distinctiveness of the University within the Higher Education (HE) sector places it within a small group of HE Institutions (HEI's) that are research-engaged and business-focused with significant commercialisation of research and major knowledge transfer relationships.**

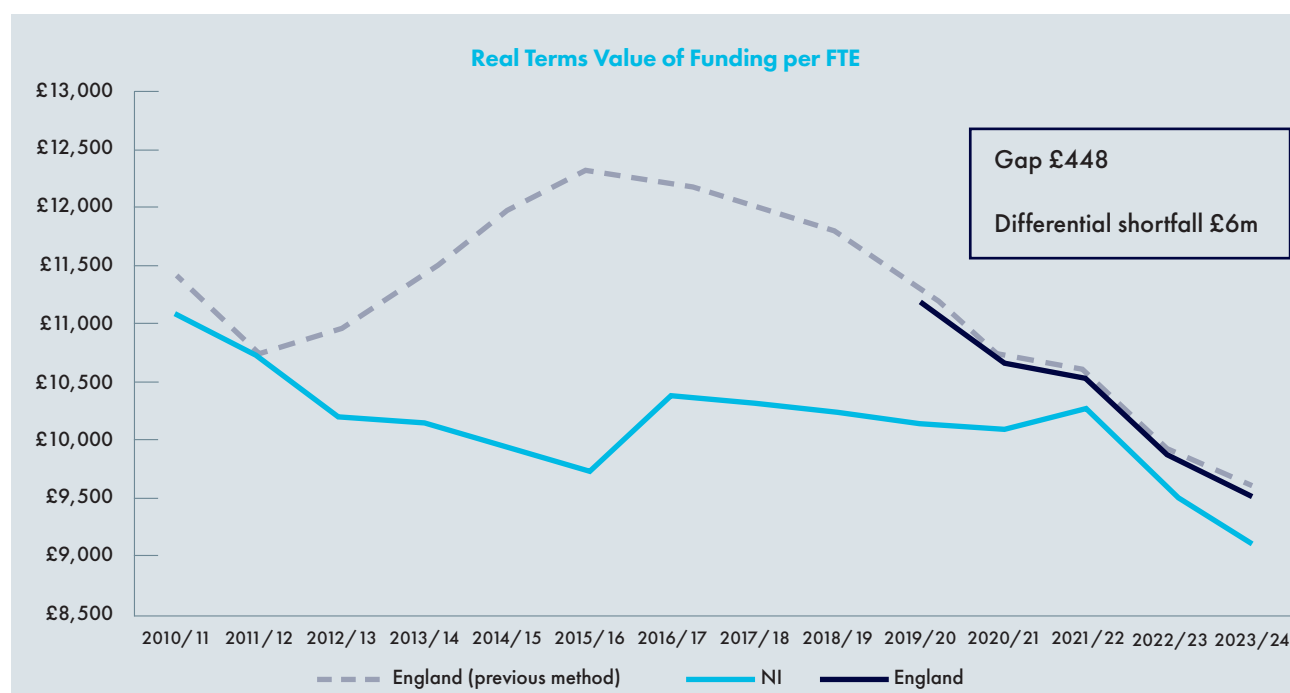
## Financial Performance

The University's underlying financial performance continues to remain strong as shown below.

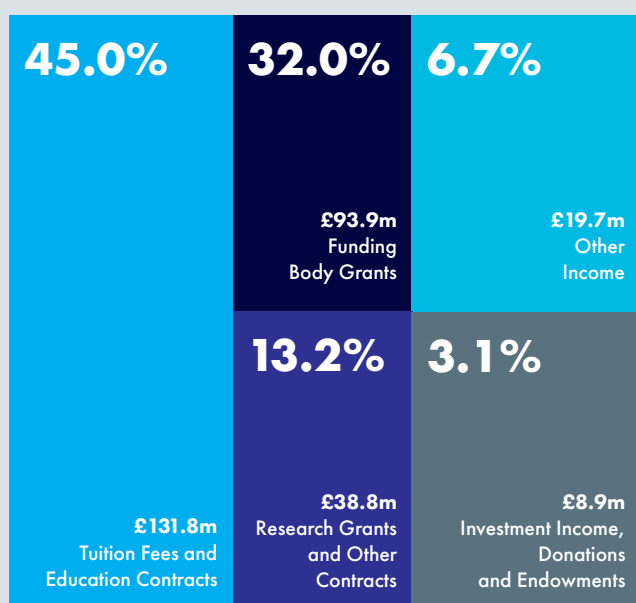
	2023/24	2022/23
Staff costs excluding pension adjustment: Income ratio	55.1%	53.7%
Cash spend on fixed assets	£15.0m	£18.2m
Earnings before interest, tax, depreciation and amortisation (EBITDA)	£17.3m	£27.8m
% Income from non-government sources	35%	33%

The University's consolidated comprehensive surplus for the year was £83.3m (2022/23: surplus £38.3m). This reflects the impact of pension adjustments attributable to the University relating to both USS and NILGOSC pension schemes with a credit to the Statement of Comprehensive Income of £85.8m (2022/23: credit £25.2m). The underlying financial performance excluding the pension adjustment is a deficit of £2.5m (2022/23: surplus £13.1m). Non-government income grew from £91.6m to £102.6m, an increase of 12%. This is a result of the increase in both international and educational partnership tuition fee income.

Ulster University is operating in an environment where we receive less funding per student per year than comparable institutions in England. The Department for the Economy (DFE) has announced that they are going to undertake a review of HE funding in NI. Differential funding is shown in the table below:



## Sources of Income 2023/24



## Income

Total income of £293.1m in 2023/24 increased by 4.1% on prior year primarily due to an increase in tuition fees, research grants and contracts income and improved investment returns (£6.4m versus £3.4m in 2022/23), with a slight offset arising from decreased Funding Body Grants.

Tuition Fee growth of 8% to £131.8m is due to an increase in both student numbers and educational partnership contracts activity.

Funding Body Grants fell 5.2% from 2022/23 primarily due to a decrease in grants for special initiatives following one offs received in 2022/23 not repeated this year. The recurrent grant for teaching and research activities from the Department for the Economy (DfE) also decreased slightly.

Research Income growth of 9% to £38.8m, reflects the increased level of awards particularly from the UK Research Councils over the past few years.

Other income of £19.7m (2022/23: £19.9m) remained relatively stable year on year. There was a fall in income received from the Competency Test Centre due to the change in Government visa regulations, mostly offset by higher income levels from residences, catering, conference and other income.

## Expenditure

Total expenditure in 2023/24 was £220m (2022/23: £269m), including a pension credit movement of £78m in 2024 (2022/23: credit of £7.8m). Excluding pension adjustments staff costs of £162m represents 54% of the total expenditure (2022/23: £151m equating to 55% of total expenditure).

Other operating expenses (excluding depreciation) total £105.5m (2022/23: £96.6m). This includes expenditure on utilities, maintenance of premises, administration, equipment, student accommodation, scholarships, bursaries and, library services. The year on year increase is mainly attributable to an increase in the University rates of £6.6m (2022/23 £3.7m) due to additional buildings now in use, significant increased software license costs and continued cost pressures due to inflation.

## Impact of Pension Deficit

The Statement of Total Comprehensive Income (SOI) for the year includes a net credit of £85.8m from the University's pension liability movement (2022/23 credit £25.2m), which is in relation to a number of factors as follows:

- The 2023 valuation of the USS pension scheme resulted in a surplus resulting in the release of £78m liability to the Statement of Comprehensive Income during the 2023/24 financial year (see note 18)
- A £6.8m actuarial gain in the NILGOSC pension scheme; and
- £1m interest receivable in relation to NILGOSC pension scheme.

The pension provisions credit is a non-cash movement and is not a measure of the University's operational financial performance or surplus generated. It is simply the difference, year on year, of the estimated value of the assets and liabilities of the University's defined benefit pension schemes.

Certain assumptions are used to value future liabilities of the pension scheme and the assets belonging to the pension scheme. These estimates reflect changes to the actuarial assumptions as a consequence of developments in the year.

The FRS 102 valuation of the NILGOSC pension scheme at 31 July 2024 resulted in an estimated net pension asset of £26.7m (2022/23 £18.9m).

## Estates Capital Plan

The Estates capital work for 2023/24 has continued to focus on enhancing the experience for students, staff and the wider community.

The masterplan (focusing on long, medium and short term plans) is central to informing the development of the new Estate Strategy to be completed in 2024/25. In developing this Strategy, the Estates Services team continues to work closely with academic colleagues and external stakeholders on the development of City Deals for both Belfast Region and Derry City & Strabane Region (and Inclusive Futures Fund for Derry Region) and the Growth Deal for Causeway Coast and Glens Borough Council as well as the Taskforce set up by the Minister in relation to growth of the Derry~Londonderry campus.

### Coleraine Campus

The following works have been progressed in 2024:

- Refresh of Students Union (including new furniture)
- Remedial works to address fire damage in a teaching laboratory in Block G4, with the final reinstatement to be commenced in Autumn 2024
- Further site surveys to identify Reinforced Autoclaved Aerated Concrete (RAAC) resulting in a small element of immediate remedial works initiated in the Summer of 2024. Additional non-urgent remedial work is scheduled for 2024/25.

Design proposals have been progressed for the demolition of the end-of-life Tower building, and associated replacement landscaping, and a major internal remodelling of the main campus's pedestrian area to enhance the campus experience for all users. Furthermore, the University will continue to complete essential long-term maintenance to the building fabric. An impairment charge relating to the Tower building of £1.1m has been made in the Statement of Comprehensive Income.

### Derry/Londonderry Campus

The University purchased one building and one site in 2023/24, both located adjacent to the Derry/Londonderry campus. The University Competence Test Centre (CTC) was relocated to the newly purchased building following a partial refurbishment.

A key element of the City's Inclusive Futures Fund is the School of Medicine and Teaching Block, and the Strand Road site was purchased to facilitate this. A space brief for the new build has been developed and the outline business case has been submitted for review and approval to DfE.

To facilitate the development of a new teaching block, funded under the Republic of Ireland's Shared Island initiative, the University has appointed an architect and town planning team to commence engagement with the local authority on the chosen site. In tandem, a process for the procurement of an integrated design team has been launched.

Construction of a new car park extension on the Duncreggan site, to facilitate the growth in campus numbers, was completed over summer 2024.

To assist with the campus legibility, further wayfinding signage has been installed.

### Belfast Campus

The design team has been appointed for the Centre of Digital Health Technology, a City Deals funded project.

The University has completed the refurbishment of The Academy restaurant to align it more closely with a commercial training environment.

### Jordanstown Campus

The new sports centre projects planning submission has been received with the project now returned from tender and being assessed.

The decluttering and clearance of the vacated campus is effectively complete with remaining elements being disposed of via public auction.

Other Jordanstown elements include the services rationalisation detailed design which is being completed to facilitate the disposal of large areas of the campus.

## Sustainability

At Ulster University, as leaders and change-makers we live in a world of ever-increasing complexity. Climate change is intensifying social and ecological crises across the world, making urgent action to address a range of sustainability issues more critical than ever. By adopting a people-centred approach we develop and deliver real-world sustainability outcomes across our campuses, in our curriculum and through our community and research impact.

In 2023/24 as part of putting people at the centre of our sustainability outcomes we completed a double materiality assessment to better understand what sustainability means to the University and its stakeholders. Key groups of stakeholders were consulted for the materiality assessment: the Leadership Team, Sustainability Steering Group, staff, students and external stakeholders using a range of engagement approaches including exploratory workshops, focus groups, surveys, and interviews. The materiality assessment identified key sustainability topics and classified these into a priority matrix indicating high or low materiality to the University along with recommendations for those topics of highest priority.

### Campus

Like many organisations we acknowledge our operations need to go low carbon and high nature to tackle the twin crises of climate change and biodiversity loss together. We do this through our campus and nature positive outcomes.

In 2023/24 we commenced a campus Net Zero Buildings Project to outline options, costs, and carbon reductions for a representative sample of University building types. This project aimed to inform the wider campus decarbonisation masterplan. In conjunction with this project, we implemented a Capital Development and Retrofit Sustainable Design Procedure to provide a consistent approach for ensuring our capital development and retrofit building projects are aligned with the institutional drive for net zero, delivering buildings free of direct emissions and fossil fuel heating/cooling.

A Natural Capital Assessment and Account for our Coleraine campus was completed during the year which included an ecological footprint baseline and valuation of the ecosystem services provided by our campus grounds, woodlands, and wildflower meadows. The project outcome included the creation of a natural

capital account and balance sheet and a proposed enhancement plan to increase campus biodiversity.

Other nature positive outcomes in 2023/24 included:

- Staff and students planted sunflower seeds on the Derry~Londonderry campus to create a 'Campus of Hope' supporting Derry City & Strabane District Council's, district of HOPE initiative to foster a culture of optimism, resilience, and progress within the district;
- Celebration of Earth Day with the official opening of the Students' Union 'Wellbeing Garden' at Coleraine campus to foster a deeper connection with nature.
- Ambassadors from the One Young World Summit planted wildflower seeds on the Belfast campus creating a rooftop 'One Young World Garden' to commemorate the Summit's visit to Belfast.

### Curriculum

Ulster University has an ongoing commitment to embed Education for Sustainable Development across the academy in curriculum design, graduate attributes and through a broad range of sustainability learning outcomes including:

- Ulster University Business School made an official commitment to integrating sustainability into its business curriculum and research endeavours, by joining a global network of likeminded business schools around the world, marking a milestone in the University's Principles for Responsible Management Education (PRME) journey;
- Action Renewables, Northern Ireland's leading renewable energy charity, committed funding for a new scholarship for students starting an MSc in Energy Storage at the Belfast campus exploring thermal and electrical storage technologies and how intermittent renewable energy sources can be mixed into the existing energy system; and
- Participation in the SDG Teach In. At Ulster we worked on reaching more students and educators during the 2024 campaign with Ulster placed 3rd in the UK for the number of educators taking part in the campaign and placed 8th in the UK for the number of students reached.



## Community and Research Impact

In 2023/24 we launched our new Research Strategy 2023-2028. The strategy commits to a research-led approach to inform colleagues, communities, policy makers and businesses on ways we can make the best use of our resources and tackle major societal challenges such as climate change, energy, food and water security and social inclusion and deprivation along with new technologies and solutions to build the sustainable world. Other community and research impact outcomes included:

- A consortium led by Ulster University secured £4.625m in funding from the Arts and Humanities Research Council for one of four new 'Green Transition Ecosystems' across the UK. On Rathlin Island the 'Future Island-Island' project will work closely with the local community to advance its current Net Zero 2030 strategy. The focus will be on managing their specific waste types alongside the development of digital heritage and sustainable tourism applications.
- Ulster University was the highest-ranking UK University and joint fifth in the world for University outreach activities in the Times Higher Education Impact Rankings 2024 in recognition of Ulster's extensive, ongoing outreach activities. Additionally, in the category related to Sustainable Development Goal 17: Partnership for the Goals, Ulster was ranked joint 20th, with a relative position in the Top 1%.
- All research outputs published on the University's research portal PURE, are assigned UN Sustainable Development Goal signifiers relevant to the kind of outputs generated representing substantial and sustained outputs across all 17 SDG's.
- The University's Dean of Sustainability and Corporate Social Responsibility was invited to take the role of Chair of the Derry and Strabane Climate Commission, which aims to achieve a sustainable, net zero and climate resilient City & District.

## The year ahead

For academic year 2024/25 our campus, curriculum and community and research commitments will focus on:

- Integrating results from the materiality assessment into sustainability strategy, planning and reporting;
- Developing a mix of net zero building projects to include increasing campus based renewable energy provision through ground and roof mounted PV schemes and geothermal feasibility investigations for ground source heating;
- Seeking accreditation to the Students Organising for Sustainability Responsible Futures Framework, the only framework of its kind that maps out the organisation enhancement required to achieve whole institution engagement with sustainability learning; and
- Further developing our community outreach activities and delivering our Research strategy.

## Cashflow and Financing

Net cash increased by £9.7m during the year. The movement in funds is summarised below:

	2023/24 £m	2022/23 £m	Change £m
Investments and short term deposits	1272	102.2	25.0
Cash at bank and in hand	12.1	27.7	(15.6)
Bank and other loans	(160.4)	(160.7)	0.3
<b>Net cash</b>	<b>(21.1)</b>	<b>(30.8)</b>	<b>9.7</b>

The net cash inflow from operating activities for the year was £7.7m (2022/23: £29.1m), outflow of £22.6m (2022/23 £30.1m) for investing activities and outflow of £0.7m (2022/23 £0.7m) for financing. Throughout the year the Group operated with a cash surplus and in line with its banking covenants. All treasury decisions were undertaken within the framework of the University's treasury policy. The underlying principle of this policy is that the University operates a low-risk approach in managing its investments and liquidity. All funds are placed with counter parties whose underlying credit rating is monitored against minimum criteria. Furthermore, an upper limit of investment in any one financial institution of £35m applies. The University's Treasury Management policy was approved by General Purposes and Finance Committee in April 2015.

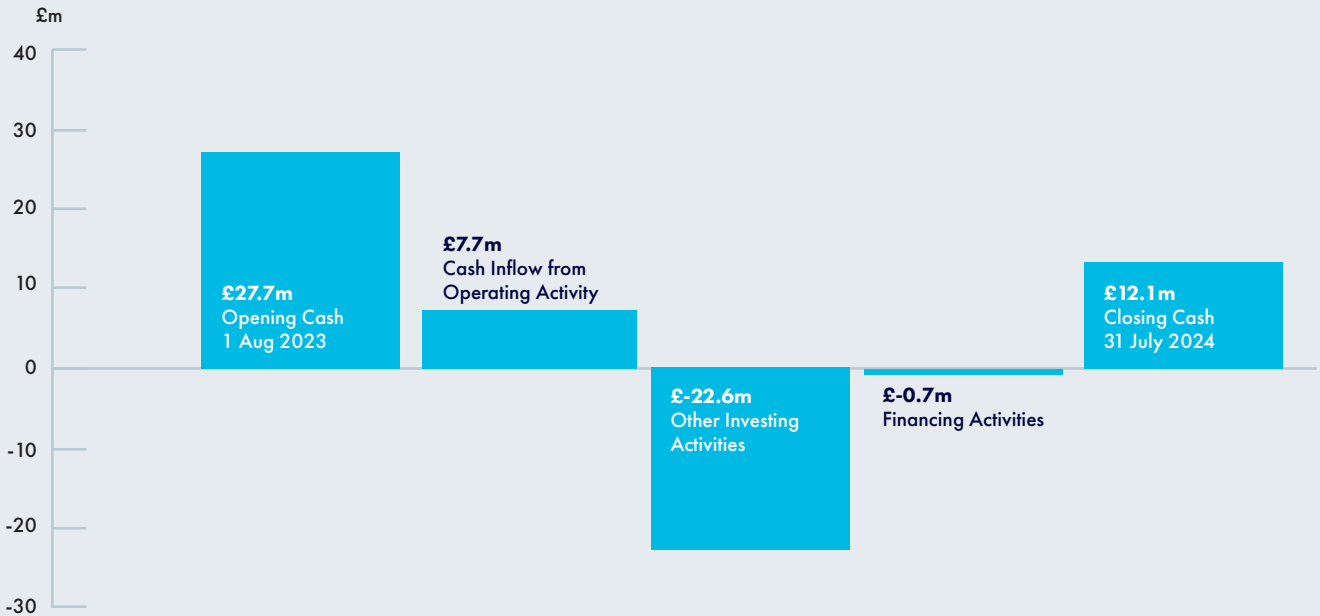
Endowment assets at the year-end were valued at £16m, an increase of £1m due to improving market values. The endowment funds are managed by Rathbones Investment Management.

During the year £15.0m cash was spent on acquiring fixed assets against which £8.3m of capital grants were received.

## How We Allocate Our Resources 2023/24

<p><b>£107.0m Academic Departments</b></p> <p>Staff Costs: <b>£91.2m</b> Other: <b>£15.8m</b></p>	<p>Total Staff Costs <b>£81.7m</b></p>
<p><b>£31.4m Research Grants and Contracts</b></p> <p>Staff Costs: <b>£12.9m</b> Other: <b>£18.5m</b></p>	<p>Total Other <b>£138.5m</b></p>
<p><b>£51.2m Premises</b></p> <p>Staff Costs: <b>£4.6m</b> Other: <b>£46.6m</b></p>	<p>Total <b>£220.2m</b></p>
<p><b>£45.3m Administrative and Central Services</b></p> <p>Staff Costs: <b>£22.4m</b> Other: <b>£22.9m</b></p>	
<p><b>£6.1m Residences, Catering and Conferences</b></p> <p>Staff Costs: <b>£1.4m</b> Other: <b>£4.7m</b></p>	
<p><b>£52.6m Academic Services</b></p> <p>Staff Costs: <b>£26.4m</b> Other: <b>£26.2m</b></p>	
<p><b>(£78.0m) Pension Adjustment</b></p> <p>Staff Costs: <b>(£79.8m)</b> Other: <b>£1.8m</b></p>	
<p><b>£4.6m Other Spend</b></p> <p>Staff Costs: <b>£2.6m</b> *Other: <b>£2.0m</b></p> <p><small>*including income-generating operations</small></p>	

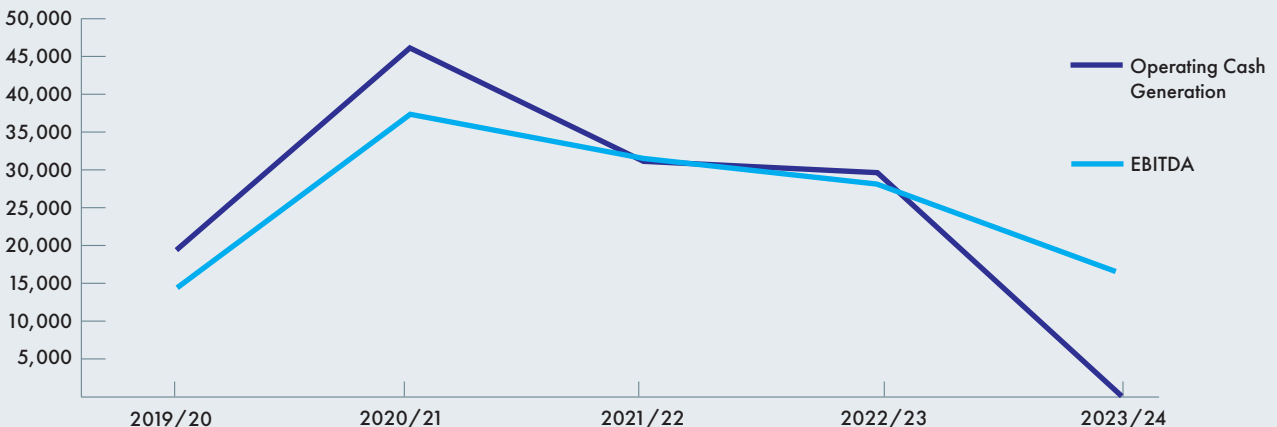
## Cashflow Statement 2023/24



## EBITDA

One of the key targets which is being monitored as part of the financial strategy is the accumulation of cash to support our corporate ambitions. Two figures are being monitored. Firstly, Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA). EBITDA is a measure of operating surplus excluding major accounting adjustments and finance charges. It provides a good indicator of financial capability to service debt and/or fund capital from internally generated cash. The second figure is net cash from operating activity. This figure takes into account movement in working capital requirements. The following table shows the movement of these two cash indicators over the last five years.

### EBITDA to Cash Generated from Operating Activities 2019/20 to 2023/24



From the above it can be seen that the University continues to operate in a financially sustainable manner and can support investment in its infrastructure with EBITDA at £17.3m.

## Net Assets

Total net assets £445m (2022/23: £361.8m) have increased by 23%. The net book value of fixed assets decreased by £15.8m to £541.0m (2022/23: £556.9m) which includes a full year of depreciation for the Greater Belfast Development. The net current assets position is strong at £98.5m (2022/23 £92.6m) with an increase of £9.7m in cash funds. The balance sheet reflects the University's investments in the Greater Belfast Development and the subsidiary companies Innovation Ulster Limited and Studio Ulster Limited as well as maintaining investment in other campuses and the recovery of the pension fund.

## Endowments





In the year to 31 July 2024 the Endowment fund value grew to £16m, (2022/23: £15m) representing an increase of 6.7%.

The University holds the ethical policy of ensuring investments are made in a responsible manner. In support of this, the University in collaboration with the Students' Union, made the decision to divest from fossil fuel companies and instead invest our endowment fund into more sustainable alternatives. Fossil fuel divestment is the removal of investment assets including stocks, bonds, and investment funds from companies involved in extracting fossil fuels, to reduce climate change by tackling its ultimate causes. The University has fully divested from these investment assets.

## Future Financial Health

Key performance indicators are set out below with an assessment on progress against the financial strategy target with **red** meaning immediate action required, **amber** more work required and **green** on track.

When taken together these measures reflect the strong governance and effective management of the University's resources in sustaining financial health in the short, medium and long term.

Financial Sustainability Indicators	2024 Actual	2023 Actual		Comments
(Deficit)/ Surplus after deducting pension provision movement as a % of income	(0.9%)	4.7%		This indicates the level of return necessary for investment in capital.
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	£17.3m	£27.8m		This is a measure of operating surplus excluding accounting adjustments and finance charges. It is a good indicator of financial capability to service debt and/or capital expenditure from internally generated cash. Financial Strategy target sets EBITDA at £18m.
Liquidity ratio	231 days	176 days		This measures our ability to fund short term cash requirements. Financial Strategy target sets a minimum level at 42 days.
Current assets to current liabilities	2.3:1	2.3:1		An indicator of financial strength to meet short term liabilities.

## Financial Outlook

**The financial results for 2023/24 were positive despite a number of challenges facing the HE sector across the UK – which saw a significant downturn in international student recruitment due to changes in visa regulations by Government.**

These changes did impact the University but to a lesser extent than other universities across the UK due to the reliance of University financials on international students and the success of our partnership with QAHE.

Overall financial margin continued to be impacted as funding levels from Government do not keep pace with inflation while cost pressures continue due to inflationary increases and estate expansion continues to facilitate growth in Derry~Londonderry. Diversification of income remains a priority in order to reduce reliance on government funding, a strategy that has been successful to date. Plans are in place for the coming year to further build out capacity in this area with Studio Ulster Limited becoming operational and the expansion of the team working on partnership activity in the University.

Over the last five years the University cash flow from operating activities has averaged over £25m showing the University has a good track record of generating cash to invest in staff and the estate. This reflects the strong governance and effective management of the University's resources in sustaining financial health.

The University continues to deliver against strategy 'People, Place and Partnership'. The strategic commitment to our multi-campus University model is evident in the planned scale of investment across all campuses with funding and investment being committed through a range of Growth and City Deals, and the Irish Government commitment to the provision of capital funding for a new teaching block on the Derry~Londonderry campus. Growth continues at the Derry~Londonderry campus, demonstrating the University's commitment to supporting delivery of the NI Executive's commitment to expand provision.

The outlook for the 2024/25 financial year and beyond remains challenging as the University operates in an increasingly complex changing operating environment. Ongoing activity will seek to work in partnership with key stakeholders and funders to develop a financially sustainable pathway for the University to deliver against the ambitions of the University and the Northern Ireland executive.

**David Clements**  
Honorary Treasurer

# Risk Managing

When managing risk, the University adheres to its Risk Management Policy which aims to protect the institution and its stakeholders from unforeseen or unacceptable exposure to risks. This policy forms part of the University's internal control and corporate governance arrangements. It applies to strategic, departmental, faculty and project risk management.

## Risk Management

The University's approach to risk management provides assurance to the Senior Leadership Team, Audit and Risk Committee, Council and the Department for the Economy that those risks that threaten the achievement of the University's strategic objectives are being actively identified, monitored and mitigated against. This systemic risk management process aims to provide:

- Enhanced decision-making by forecasting important threats and opportunities;
- A more effective use and allocation of resources;
- A recognition of responsibility and accountability;
- A more targeted, risk-based internal audit plan;
- An enhanced communication and escalation of significant risks from within operational and tactical areas.

## Process

Our Senior Leadership Team, (SLT), is, collectively and individually, responsible for effective risk management in their areas of responsibility, in accordance with the risk management policy and procedures. Key roles of the SLT are to:

- Regularly review the institutional risk appetite statement and appetites assigned to the strategic priorities, for consideration and approval by the Audit and Risk Committee;
- Regularly review all significant strategic risks faced by the University for consideration by Audit and Risk Committee and keep these risks under scrutiny;
- Undertake training and development activities associated with risk management;
- Ensure the adoption of risk management amongst their staff.

## In addition;

- All senior officers are required to undertake regular reviews and assessment of key risks within their areas of operation as part of routine management arrangements.
- The SLT are responsible, as project leaders, for the risk management of major institutional projects.
- The Chief Strategy and Finance Officer is responsible for ensuring that the University operates effective procedures relating to risk management and for undertaking formal reviews on behalf of Council of the risk management policy.
- The Risk Management Committee supports the SLT by working to ensure that agreed risk management practices and procedures are embedded within the University providing a consistent approach to risk management and ensuring that University risks are monitored and reported on an on-going basis taking cognisance of emerging opportunities.
- Staff within Audit, Risk and Business Continuity provide on-going training to risk owners in order to facilitate the effective operation of risk management across the University.
- SLT undertakes periodical reviews of the Strategic Risk Register to ensure that it is operating within agreed risk tolerances and significant risks are being escalated and de-escalated on a timely basis.
- Audit, Risk and Business Continuity regularly produce reports for all risk owners highlighting any significant risks across the University that relate to their area of responsibility.

## Risk registers

Risk registers exist at three different levels across the University: strategic; tactical (portfolio level); and operational (faculty and departmental). There are also project risk registers in place for major projects, e.g. City Deals.

## Integration with Internal Audit

Our internal audit strategy is developed around the University's strategic risks which are listed below, as well as those risks facing the sector. The annual audit plan of reviews across key areas further supports our risk management processes.

### An overview of key strategic risks, by category, is provided below:

**Regional balance** – the risk that the University's ability to achieve campus balance as set out in the University strategy is negatively impacted due to the pace, scale and complexity of change required.

**Financial sustainability** – this risk is largely focused on the University's ability to deliver on planned income diversification activities at the required scale and/or margin. These activities are necessary to mitigate against the impacts of level and scale of government funding for HE, policy changes impacting international student recruitment, and wider geo-political events impacting University income opportunities and cost base.

**Cyber** – the ever present risk of a cyber-attack requires ongoing vigilance and investment in Digital infrastructure.

**People** – linked to staff wellbeing and our ability to fill vacancies on a timely basis.

**Compliance** – taking into account the significant compliance obligations for the University including Health and Safety, Data/Information Governance, statutory returns to HESA (including Data Futures), CMA compliance and governance obligations in relation to research.

**Sustainability** – based on the risk that the University has failed to plan sufficiently to meet environmental sustainability obligations.

# Corporate Governance Statement

**The University is committed to promoting best practice in all aspects of corporate governance. The following statement aims to provide readers of the Financial Statements with an understanding of the governance arrangements applied by Council, the governing body of the University.**

The University endeavours to structure its governance arrangements and conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) and in line with the Committee of University Chairs (CUC) Higher Education Code of Governance (September 2020) and its own Statement of Primary Responsibilities (see pages 24 to 25).

The University is an autonomous body, whose legal status derives from a Royal Charter granted in 1984. The University's objects, powers and framework of governance are set out in the Charter and supporting Statutes, which are currently under review. Council also seeks to comply with the Charity Commission's guidance on the reporting of public benefit and the supplementary public benefit guidance on the advancement of education.

Council meets formally at least five times each year. It is responsible for the ongoing strategic direction of the University, the stewardship of its revenue and property, and the general conduct of its affairs. Council works closely with the Vice-Chancellor and his Senior Leadership Team (SLT) to set the institutional strategy and purpose, and the SLT ensures that steps are taken to deliver the institutional goals, supported by elective systems of control and risk management.

Under its Delegated Authority Framework, Council delegates some of its powers and responsibilities to its core Committees. The Framework provides clarity on those matters reserved to Council for collective decision to include, for example, approval of the University's Strategic Plan, and those which it delegates to its Committees and to the Vice-Chancellor. Each Committee is provided with a clear remit and written Terms of Reference stating the extent and limits of its responsibilities and authority. The key governance Committees are Senate; the Audit & Risk Committee; the Resources Committee; the People Committee (formerly the Governance, Nominations and Remuneration Committee); the Belfast Campus Development Committee; and the City Deals and Special Projects Committee).

Further detail on Council and its core Committees is set out overleaf.



## Council

The Council, which met seven times during the year, has a membership of eighteen, the majority of whom (thirteen) are appointed from outside the University. With the exception of the Students' Union President, Council members serve for a maximum of two terms of four years. Council has two Pro-Chancellors, who act as Chair and Deputy Chair of Council. The Pro-Chancellors are supported in this role by the Honorary Treasurer, who is also appointed from among the external members of Council. Both the Vice-Chancellor and the Students' Union President are ex-officio members of Council and the membership also includes three elected members of University staff. With the exception of the Vice-Chancellor, whose emoluments are disclosed in Note 7, none of the members receive any payment, other than the reimbursement of reasonable expenses, for the work that they do in their capacity as members of Council.

**The membership of Council, during the 2023/24 academic year is as follows:**

### Ex Officio Members:

Dr J Pyper	Pro-Chancellor and Chair of Council (from 01 July 2019)
Dr E Way	Second Pro-Chancellor (from 20 June 2020)
Mr D Clements	Honorary Treasurer (from 01 August 2016)
Professor P Bartholomew	Vice-Chancellor (from 17 August 2020)
Ms R Allen	President of the Students' Union (from 01 June 2023 - 30 June 2024)

### External Members:

Mr P Lobban	Appointed 01 October 2016
Dr P McNaney	Appointed 01 October 2016
Dr J Stuart	Appointed 01 October 2016 (until 15 September 2023)
Mr P Sheridan	Appointed 09 November 2018
Mrs M Lindsay	Appointed 09 November 2018
Mr R Sloan	Appointed 15 February 2019
Mr A Moore	Appointed 09 December 2020
Ms J Taggart	Appointed 01 January 2021 (until 18 July 2024)
Mr C Conway	Appointed 01 March 2023
Mr J Healy	Appointed 01 March 2023

### Elected Staff Members:

Ms G Horgan	Appointed 15 February 2019
Mr E Friel	Appointed 01 October 2020 (until 23 October 2023)
Professor A Gallagher	Appointed 01 October 2020

## The Audit and Risk Committee

The Audit & Risk Committee, chaired by Pro-Chancellor Dr Elaine Way, met five times during the year, with the University's Internal and External Auditors in attendance at all meetings. The Committee considered detailed reports together with recommendations for the improvement of the University's systems of internal control and management's responses and implementation timescales. While Senior Management attend meetings of the Audit & Risk Committee as necessary, they are not members of the Committee, and the Committee meets both the External and Internal Auditors in private session at least once each year.

## The Resources Committee

The Resources Committee, chaired by the Honorary Treasurer David Clements, met seven times during the academic year. The Committee recommends to the Council the University's annual revenue and capital budgets for the University group and monitors performance in relation to the approved budget. The Committee also has, *inter alia*, oversight of matters pertaining to the estate, information technology and people and culture.

## The People Committee

The People Committee, chaired by Dr Jenny Pyper, Chair of Council, met five times during the academic year. The Committee brings together the responsibilities of remuneration, nominations and people and culture. In this context, it reviews annually the salaries of the senior staff of the University including that of the Vice-Chancellor. The review takes account of any external earnings, including consultancy, by senior staff as well as the salary norms within the higher education sector for a wide variety of senior posts. The Committee is also responsible for recommending the appointment and re-appointment of members to Council and its Committees, together with University appointments on subsidiary companies.

## The Belfast Campus Development Committee

The Belfast Campus Development Committee, chaired by Dr Peter McNaney, met six times during the academic year. The Committee is responsible to Council for oversight of all aspects of the Belfast Campus building development and the relocation of staff and students to the new Campus.

## The City Deals and Special Projects Committee

The City Deals and Special Projects Committee chaired by Mr Peter Sheridan, met five times during the academic year. The Committee is responsible to the Council for oversight in relation to the governance and assurance frameworks underpinning City Deal and Special Projects, with the special projects falling within the scope of the Committee to be determined, from time to time, by Council.

## The Vice-Chancellor

The Vice-Chancellor, as principal academic and administrative officer of the University, has responsibility to the Council for maintaining and promoting the efficiency and good order of the University. Under the terms of the formal Financial Memorandum between the University and the Department for the Economy (DfE) (currently under review), the Vice-Chancellor is the designated Chief Accounting Officer of the University and, in that capacity, can be summoned to appear before the Public Accounts Committee of the Northern Ireland Assembly.

As de facto Chief Executive of the University, the Vice-Chancellor exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments and the shaping of the institutional ethos. The Deputy Vice-Chancellor, University Provost, Chief Strategy and Finance Officer, Chief People Officer, Pro-Vice-Chancellors, Executive Deans of Faculties, Professional Service Directors and the University Secretary all contribute in various ways to these aspects of the work, but the ultimate responsibility for what is done rests with the Vice-Chancellor. The executive structure of the University is represented by the Senior Leadership Team (SLT), which comprises of the Vice-Chancellor (Chair), the Deputy Vice-Chancellor, the University Provost, the Pro-Vice-Chancellors, the Chief People Officer, the Chief Strategy and Finance Officer and the Pro-Vice Chancellors & Executive Deans.

The University maintains a Register of Interests of Members of the Council and Senior Officers, which may be consulted by arrangement with the University Secretary. The Register of Members Interests of the Council is available online on the University's governance webpages.

The Office of the University Secretary provides the secretariat to the Council. Any enquiries about the constitution and governance of the University should be addressed to the University Secretary [universitysecretary@ulster.ac.uk](mailto:universitysecretary@ulster.ac.uk).

## The Senate

The Senate, chaired by the Vice-Chancellor, is the academic authority of the University. It is composed mainly of academic staff but provision is also made for membership of non-academic staff and students. Its role is to direct and regulate the teaching and research work of the University.

# Statement of Internal Control

**As the governing body of Ulster University, we, the Council, have responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which we are responsible in accordance with the responsibilities assigned to the governing body in in the Charter and Statutes and the Financial Memorandum with the Department for the Economy (DfE).**

The Council is of the view that there is an ongoing process for identifying the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage these efficiently, effectively and economically. Those procedures have been in place for the year ended 31 July 2024.

The following actions have taken place in relation to the risk management policy and for reviewing the effectiveness of the systems of internal control:

- The Council met seven times in the year to consider the strategic direction and plans of the University and to monitor performance against those plans;
- There is clear definition of the responsibilities of and authority delegated to, committees of the Council and the Executive;
- The University's current strategic plan sets the framework of strategic aims and objectives against which risks are assessed and performance is monitored and reported;
- A Strategic Risk Register, which incorporates the key risks at institutional level, is maintained;
- The Senior Leadership Team formally reviews and assesses high risks bi-monthly;
- All faculties and departments, as part of their planning, maintain and review their risk registers;
- The Audit and Risk Committee receives reports from the independent Internal Auditors on the adequacy and effectiveness of the University's systems of internal control with recommendations for improvement, as appropriate.

In addition to these, other actions were taken in-year to enhance internal control. The work of the Internal Audit service has been informed by analysis of the operational, business and financial risks to which the University is exposed and upon which Internal Audit activity for 2023/24 was based. The Internal Audit service operates to agreed standards and submits regular reports, which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the system of internal controls, together with recommendations for improvement. Deloitte (NI) Ltd were appointed as the University's internal auditors in June 2022 on a three-year contract.

Our reviews of the effectiveness of the system of internal control are informed by the work of the Internal Auditors and the SLT within the institution who have responsibility for the development and maintenance of the internal control framework and by comments made by the External Auditors in their year-end management letter and other reports. The Audit and Risk Committee monitors the effectiveness of the systems of internal control on Council's behalf. Any system of internal control can, however, only provide reasonable, but no absolute assurance against material loss or misstatement.

In accordance with the Statutes, the Council, as a governing body, is responsible for the administration and management of the affairs of the University, including ensuring an effective system of internal control, and is required to present audited Financial Statements for each financial year.



# Statement of the Council's Responsibilities

**The Council is responsible for ensuring the maintenance of proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and which enable it to ensure that Financial Statements are prepared in accordance with the Statutes, the Statement of Recommended Practice on Accounting in Higher Education Institutions and other relevant accounting standards.**

In addition, within the terms and conditions of a Financial Memorandum agreed between the Department for the Economy and the Council of the University, the Council, through its designated office holder, is required to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

In causing the Financial Statements to be prepared, the Council has ensured that:

- Suitable accounting policies are selected and applied consistently;
- Judgements and estimates are made that are reasonable and prudent;
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- Financial Statements are prepared on the going concern basis unless it is inappropriate to presume that the University will continue in operation. The Council is satisfied that the University has adequate resources to continue in operation for the foreseeable future; for this reason the going concern basis continues to be adopted in the preparation of the Financial Statements.

The Council has taken reasonable steps to:

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

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

- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, and cash flow budgets;
- Regular reviews of financial results involving variance reporting and updates of forecast outturns;
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review by the Resources Committee on behalf of the Council;
- A Financial Procedures Manual, detailing financial controls and procedures;
- A professional Internal Audit team whose annual programme is approved by the Audit and Risk Committee.

The Audit and Risk Committee, on behalf of Council, has reviewed the effectiveness of the University's system of internal financial control. Any system of internal financial control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.



# Statement of Primary Responsibilities

The Council is the governing body of the University and its members are the trustees in relation to the University's status as an exempt charity. The Council is responsible for overseeing the University's activities, determining its future direction, and fostering an environment in which institutional objectives are achieved.

This Statement is based on the model statement contained in the Higher Education Code of Governance, published by the Committee of University Chairs in September 2020, adapted to reflect the powers and responsibilities that the Council derives from its approved Charter and Statutes.

Consistent with the University's constitution, the primary responsibilities of the University Council are as follows:

- 1.** To set and agree the mission, strategic vision and values of the University with the Executive, in accordance with its primary objectives of learning, teaching and research.
- 2.** To provide oversight and accountability for the University's arrangements for governance and risk management.
- 3.** To approve and keep under review the University's long-term academic and strategic plans, including key performance indicators, ensuring that these meet the interests of stakeholders, especially staff, students, alumni and other beneficiaries.
- 4.** To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the University against the strategy, plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
- 5.** To delegate authority to the Vice-Chancellor, as Head of the Institution, for the academic, corporate, financial, estate and human resource management of the University.
- 6.** Through an effective Scheme of Delegated Authority, regularly reviewed by Council, to establish and keep under review the policies, procedures and limits within such management functions as shall be undertaken by, and under the authority of, the Vice-Chancellor.
- 7.** To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk assessment, value for money arrangements and robust procedures for handling internal grievances and managing conflicts of interest.
- 8.** To establish processes to monitor and evaluate the performance and effectiveness of Council itself.
- 9.** To conduct its business in accordance with best practice in Higher Education corporate governance, the University's agreed values, and with the principles of public life drawn up by the Committee on Standards in Public Life.



- 10.** To safeguard the good name and values of the University.
- 11.** To appoint the Vice-Chancellor as Chief Academic and Administrative Officer of the University, and as its Accounting Officer, and to put in place suitable arrangements for monitoring their performance.
- 12.** To appoint a Secretary to Council and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
- 13.** To be the employing authority for all staff in the University and to be accountable for ensuring that an appropriate people and culture strategy is established.
- 14.** To seek assurance that the University is meeting the conditions of funding as set by regulatory and funding bodies and other major University funders, and that the use of funds is in line with the principles of regularity, propriety and value for money.
- 15.** To be the principal financial and business authority of the University, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall accountability for the University's assets, property and estate.
- 16.** To be the University's legal authority and, as such, to ensure systems are in place for meeting all its legal obligations, including those arising from contracts and other legal commitments made in the University's name. This includes accountability for health, safety, wellbeing and security and for equality, diversity and inclusion.
- 17.** In consultation with Senate, to receive assurance that adequate provision has been made for the general welfare of students.
- 18.** To ensure that the procedures in place for managing students, including disciplinary procedures, are fair and equitable.
- 19.** To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University.
- 20.** To determine regulations for the custody and use of the common seal of the University.
- 21.** To approve, for consideration by Privy Council, changes to the Charter and Statutes and to ensure that the institution's constitution is always followed, and that appropriate advice is available to enable this to happen.
- 22.** To promote a positive culture which supports inclusivity and diversity across the institution, including within Council's own composition.
- 23.** In partnership with Senate, to maintain and protect the principles of academic freedom and freedom of speech legislation.
- 24.** To ensure that all students and staff have appropriate opportunities to engage with the governance and management of the institution by operating in an open, honest and accountable manner.
- 25.** To ensure the University is appropriately accessible and relevant to its local communities and is open to engagement with local communities in identifying its role in delivering public/community benefit and economic civic duties.

# Independent Auditor's Report to the Council of Ulster University

## Opinion

We have audited the financial statements of Ulster University ('the parent institution') and its subsidiaries (the 'group') for the year ended 31 July 2024 which comprise the Group and University Statement of Comprehensive Income, the Group and University Statement of Changes in Reserves, the Group and University Balance Sheets, the Group Cash Flow Statement and the related notes 1 to 28, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Ulster University's group financial statements and parent institution financial statements (the "financial statements"):

- Give a true and fair view of the state of the group's and of the parent institution's affairs as at 31 July 2024 and of the group's and of the parent institution's income and expenditure, gains and losses and changes in reserves, and of the group's cash flows for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- Have been properly prepared in accordance with the Department for the Economy's Accounts Direction to Higher Education Institutions for 2023-24 Financial Statements.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent institution in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the University Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent institution's ability to continue as a going concern for the period to 31 July 2026.

Our responsibilities and the responsibilities of the University Council's with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The University Council are responsible for the other information contained within the annual report.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinion on other matters prescribed by the Financial Memorandum (Part 1) between the Department for Employment and Learning (now the Department for the Economy) and the University of Ulster ("Financial Memorandum")

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

- Funds from whatever source administered by Ulster University have been applied properly to those purposes and managed in accordance with relevant legislation; and
- Funds provided by Department for the Economy have been applied in accordance with the Financial Memorandum and any applicable terms and conditions attached to them.

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

Under the Funding Council's Financial Memorandum, the University is required to include a Statement of Internal Control within the annual financial statements. We are not required to audit this statement, or to form an opinion on the effectiveness of risk management and control procedures but have a duty to report by exception whether this statement is inconsistent with our knowledge of the University.

## Responsibilities of the Council

As explained more fully in the Statement of the Council's Responsibilities set out on page 22, the University Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the University Council 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 University Council is responsible for assessing the group's and the parent institution'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 Council either intend to liquidate the group or the parent institution or 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are FRS 102, the Statement of Recommended Practice for Further and Higher Education and the Financial Memorandum between the Department for Employment and Learning (now the Department for the Economy) and the University of Ulster and the Accounts Direction to Higher Education Institution requirements.
- We understood how Ulster University is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquires through reading the University Council minutes and papers provided to the Audit and Risk Committee.
- We assessed the susceptibility of the group and parent institution financial statements to material misstatement, including how fraud might occur by considering the risk of management override and identified the recognition of tuition fee, research grants and other income as fraud risks.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved inquiring of management, internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the group and parent institution's policies and procedures relating to:

- o Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - o Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - o The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Our procedures also included discussions amongst the engagement team regarding how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified the potential for fraud in the following areas: revenue recognition and management override of controls.

In addition to the above, our procedures to respond to the identified risks included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- Reading minutes of meetings of those charged with governance and the University Council;
- In addressing the risk of management override of controls we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately. We reviewed significant accounting estimates for management bias and noted that we did not identify any significant unusual transactions in the financial statements;
- In addressing the risk of improper recognition of revenue we performed a substantive analytical review over tuition fee income and focused our testing on those items of income that fell outside of our expectations. We tested a sample of research income and education contracts (including any associated deferred income) to assess performance related conditions and recognition in the correct year. For a sample of deferred income items (also covering additions and releases), we confirmed that income had been recognised in the correct financial year and that conditions had been met. We also tested a sample of income transactions before and after the

year end to confirm that they had been recorded in the correct financial year. Our testing also included agreeing a sample of these income streams to supporting agreements or letters, remittances and the receipt of payment in bank statements, and the testing of certain revenue journals to assess recognition in the current year.

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

## Use of our report

This report is made solely to the Council of Ulster University, as a body, in accordance with the Charters and Statutes of the University. Our audit work has been undertaken so that we might state to the Council 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 Ulster University and the Council as a body, for our audit work, for this report, or for the opinions we have formed.

### Michael Christie (Senior statutory auditor)

for and on behalf of Ernst & Young LLP,  
Statutory Auditor Belfast

27 November 2024

# Statement of Principal Accounting Policies

## 1. Basis of Preparation

Ulster University (“the University”) is an independent educational charity, registered with the Charity Commission for Northern Ireland, whose legal status derives from a Royal Charter granted in 1984. The address of the University’s registered office is Cromore Road, Coleraine, BT52 1SA.

The Financial Statements have been prepared in accordance with the Statement of Recommended Practice “Accounting for Further and Higher Education 2019” and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (“FRS 102”). The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain land and buildings. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102.

The financial statements are presented in Sterling (£) with all values rounded to the nearest £1,000 except when otherwise indicated.

### Going Concern

The University and Group’s financial statements have been prepared on a going concern basis.

The University has prepared a 5 year strategic plan and financial forecasts. The new Belfast campus opened in September 2022 and the long-term loan agreement with the Strategic Investment Board to assist the funding of the Greater Belfast Development is fully drawn down.

The University has prepared detailed monthly cashflow forecasts to 31 July 2026, based on conservative estimates of student numbers and in line with its Strategic Plan, which show the University operating within the terms of its funding facilities and sufficient cash resources throughout this period. The cashflow demonstrates the University will continue to maintain cash reserves over the period to 31 July 2026 and meet all its obligations.

On this basis, Council has a reasonable expectation that the University and its subsidiary undertakings have adequate resources to continue in operational existence for the period to 31 July 2026. Accordingly, it continues to adopt the going concern basis in preparing the financial statements.

## 2. Consolidation

The consolidated Financial Statements include the University and its subsidiary undertakings Innovation Ulster Limited and Studio Ulster Limited. The results of the subsidiary companies are included in the consolidated Statement of Comprehensive Income from the date of incorporation or acquisition or up to the date of disposal. Intra-Group sales and profits are eliminated fully on consolidation.

The Ulster University's Students' Union is constituted as an independent body and therefore in accordance with FRS 102, its financial statements are not consolidated with the Financial Statements of the University because the University does not control those activities.

The joint venture results of Branch Campus (London & Birmingham) Limited, C-TRIC Limited (formerly ABC Research & Innovation Limited) and NI Composites O&M LLP (NICOM) and the investment in NIACE Limited are not consolidated in the Financial Statements on the grounds of materiality.

## 3. Recognition of Income

Income from the sale of goods and services is credited to the Statement of Comprehensive Income in line with the provision of the associated goods and services.

Academic Fee income is stated gross of any expenditure and credited to the Statement of Comprehensive Income over the period of students' study. Where the amount of tuition fee is reduced, income receivable is shown net of the discount. Bursaries and Scholarships are accounted for gross of expenditure and are not deducted from income.

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

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

### Grant Funding – Revenue Grants

Revenue grants are recognised as income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income in line with such conditions being met.

### Grant Funding – Capital Grants

Where tangible fixed assets are acquired with the aid of Government capital grants, these grants are recognised as deferred income within creditors and released to income over the expected useful economic life of the asset. All other capital grants are recognised in income when the University is entitled to the funds subject to any performance conditions being met.

### Other Income

Income from specific endowments and donations, research grants and contracts and other services rendered is included to the extent of the expenditure incurred during the year, together with any related contributions towards overhead costs. All income from short-term deposits and general endowment asset investments is credited to the Statement of Comprehensive Income on a receivable basis. All income from other sources is credited to the Statement of Comprehensive Income on an accruals basis.



## Donations and Endowments

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserves until such time it is utilised in line with the restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the University is entitled to the funds. Investment income and appreciation/depreciation of endowments are recorded in income in the year in which they arise.

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

1. Restricted donations – the donor has specified that the donations must be used for a specific objective.
2. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
3. Restricted expendable endowments – the donor has specified a particular objective for the use of the funds and the University can convert the endowed capital into income.
4. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

## 4. Pension Schemes

The two principal pension schemes for the University's staff are the University's Superannuation Scheme (USS) and the Northern Ireland Local Government Officers Superannuation Committee.

Pension Fund (NILGOSC). The funds are valued every three years by actuaries using the aggregate method, the rates of contribution payable being determined by the trustees on the advice of the actuaries.

The USS scheme is a defined benefit scheme but it is not possible to identify the University's share of underlying assets and liabilities in the USS scheme. As such, contributions made to the scheme are treated as if it were a defined contribution scheme and charged to the Statement of Comprehensive Income. A liability is recorded within the provisions for any contractual commitment to fund past deficits within the USS scheme.

The NILGOSC scheme is a multi-employer scheme and the underlying assets and liabilities are disclosed in the Balance Sheet. The difference between the market value of the scheme's assets and the actuarially assessed present value of the scheme's liabilities, calculated using the projected unit credit method, is disclosed as an asset or liability on the balance sheets.

The amount charged to the Statement of Comprehensive Income is the actuarially determined cost of pension benefits promised to employees earned during the year plus any benefit improvements granted to members during the year.

The expected return on the pension scheme's assets during the year and the increase in the scheme's liabilities due to the unwinding of the discount during the year are shown as financing costs in the Statement of Comprehensive Income.

Any difference between the expected return on assets and that actually achieved and any changes in the liabilities due to changes in assumptions or because actual experience during the year was different to that assumed, are recognised as actuarial gains and losses in the Statement of Comprehensive Income.



## 5. Employment Benefits

Any unused employment benefits for staff with contractual benefits are accrued and measured as the additional amount the University expects to pay as a result of unused entitlement.

## 6. Foreign Currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end rates. The resulting exchange differences are dealt with in the determination of Statement of Comprehensive Income for the financial year.

## 7. Freehold Land and Buildings

The University has adopted the transitional arrangements on conversion to FRS 102 and has revalued land and buildings as at 31 July 2014 on three campuses, namely Coleraine, Derry/Londonderry and Belfast. Land and buildings that have been revalued to fair value prior to the date of transition to FRS 102, are measured on the basis of deemed cost, being the revalued amount at the date of the revaluation.

Following the transfer of the Jordanstown campus to Belfast, the value of the land and buildings at Jordanstown is reviewed annually.

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for intended use.

Land is held freehold and is not depreciated as it is considered to have an indefinite useful life. Buildings are depreciated on a straight line basis over their expected useful lives, up to a maximum of 60 years.

## 8. Assets Under Construction

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

## 9. Equipment

Equipment, including software and related software development costs, costing less than £25,000 per individual item or group of related items, is written off in the year of acquisition.

All other equipment including software and related development costs are capitalised. Capitalised equipment (other than research grant equipment) is stated at cost and depreciated on a straight line basis over its expected useful life, assumed to be four years. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for intended use.

Where equipment is acquired with the aid of a specific research grant it is capitalised and depreciated over the shorter of its estimated useful life or the remaining life of the research grant, with the related grant being credited to a deferred capital grant account and released to the Statement of Comprehensive Income over the remaining life of the related grant.

## 10. Fixed Asset Investments

- (a) The University's Endowment Fund is included in the Balance Sheet at market value and is administered by an external fund manager. Investments in subsidiary companies are shown at the lower of cost and net realisable value. Impairment reviews are performed by the directors when there has been an indication of potential impairment. Any changes in fair value are taken directly to the Statement of Comprehensive Income.
- (b) Fixed Asset Investments through Innovation Ulster Limited and Ulster Equity Partnership.

From the menu of valuation methodologies cited by the International Private Equity and Venture Capital Valuation Guidelines (2022 edition) the company values its fixed asset investments (which comprise trade investments) as follows:

- Price of Most Recent Investment (PMRI); or
- Multiple of earnings or revenues; or
- Net asset basis

If valuers consider that the passage of time since the date of the last investment diminishes the appropriateness of that methodology, then a modified version of that valuation may be used which refers to industry benchmark valuations or a company based milestone analysis, i.e. performance against technical or financial targets of milestones.

It is expected that the company will use the PMRI basis where the investment has been made within 12 months, otherwise the Net Assets basis will be used.

Any changes in fair value are taken directly to the Statement of Comprehensive Income.

## 11. Current Asset Investments

Current asset investments are included at the lower of cost and net realisable value.

## 12. Stocks

Stocks, which are generally consumable in nature, are expensed to the Statement of Comprehensive Income in the year of purchase.

## 13. 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 comprise of short term assets readily disposable but not within 24 hours without penalty. They include short term deposits and other instruments held as part of the University's treasury management activities. They exclude any such assets held as Endowment Asset Investments.

## 14. Provision for Bad Debts

Bad debts are written off when recognised as irrecoverable. Debts which are considered doubtful are provided for in the accounts.

## 15. Leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The cost of operating leases is charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

## 16. Provisions

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

## 17. Maintenance of Premises

The University has a 5 year planned maintenance programme which is reviewed on an annual basis. Actual expenditure on maintenance is charged to the Statement of Comprehensive Income in the period it is incurred.

## 18. Taxation Status

The University is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 287 CTA 2009 and sections 471, 478, 488 CTA 2010 (formerly S505 of ICTA 1988) or section 256 of the taxation of Chargeable gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The University is registered as a charity with HM Revenue and Customs and with the Northern Ireland Charity Commission. The University receives no similar exemption in respect of Value Added Tax. Innovation Ulster Limited and Studio Ulster Limited, subsidiaries of the University, have no charitable status and can therefore be liable to Corporation Tax on chargeable profits.

## 19. Reserves

Income and expenditure reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which through endowment to the University are held in a permanently restricted fund which the University must hold in perpetuity.

The University holds a revaluation reserve resulting from revaluation of fixed assets on conversion to FRS 102 as at 31 July 2014.

## 20. Subsidiary Accounting Policies

The subsidiaries of the University adopts the same accounting policies of the University.

## 21. Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (involving estimates) have had the most significant effect on amounts recognised in the financial statements.

### Carrying Value of Investments

The Group has investments, as disclosed in **Note 12**, valued using the menu of valuation methodologies cited by the International Private Equity and Venture Capital Valuation Guidelines. These methodologies require the use of judgement, including assessing the most appropriate methodologies to be used, whether changes in methodologies are required due to the passage of time since the date of the last investment and in certain methodologies the assumptions to be used. Due to the complexity of these methodologies, and the underlying assumptions used, such estimates are subject to significant uncertainty. Any diminution in value is recognised in profit or loss.

### NILGOSC Pension Benefits

The cost of the NILGOSC defined benefit pension plans is determined using actuarial valuations, as disclosed in **Note 22**. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the yield of high quality bonds of the same term and currency as the future cashflows.

Judgement is also required in respect of the amount of the NILGOSC pension asset recognised at 31 July 2024 of £26.7m (see **Note 22**). In the absence of specific guidance in FRS 102 the assessment of the recognition of this asset been determined using the applicable requirements of International Accounting Standards Board's IFRIC 14 "IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction". Details of the assessment made in determining the amount of the recoverable surplus and hence net asset recognised at 31 July 2024, together with a related sensitivity analysis, are set out in **Note 22**."



## USS Pension Scheme

As the institution is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. At 31 July 2023 the University's balance sheet included a liability of £78m for future contributions payable under the deficit recovery agreement which was concluded on 30 September 2021, following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required for the 2023 valuation, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date the University was no longer required to make deficit recovery contributions. The remaining liability of £78m was released to the Statement of Comprehensive Income. Further disclosures relating the deficit recovery liability can be found in **Note 22**.

## Carrying Value of Jordanstown Campus Land and Buildings

The Jordanstown campus activity fully transferred to the new Belfast campus in September 2023. The carrying value of the Jordanstown campus estate included in fixed assets (see **Note 11**) has been written down to its estimated recoverable amount based on an independent valuation completed in April 2022 by Lambert Smith Hampton, with the fair value of the estate based on market value in accordance with the Royal Institution of Chartered Surveyors Valuation Guidance Standards – Red Book Global. The members of the Council have assessed that this fair value continues to be appropriate as at 31 July 2024. However, such valuations are inherently judgemental with the value attributed sensitive to changes arising from market factors and how the value of the estate is ultimately realised.

## QAHE Tuition Income

As disclosed in **Note 25** the University has entered into a joint venture with QA Higher Education (QAHE) to provide services in support of the provision of Ulster University degree courses to domestic and international students at campuses in London and Birmingham. The University receives a share of the tuition fees paid by these students which in the year ended 31 July 2024 was £10.4m (2023 £5.2m). Council have assessed that given the nature of the services provided by the University, and that successful students are awarded an Ulster University degree, that this income represents tuition fee income and accordingly this is presented as such in the Statement of Comprehensive Income.

## Statement of Comprehensive Income

### Group and University Statement of Comprehensive Income for the Year Ended 31 July 2024

	Note	Group 2024	University 2024	Group 2023	University 2023
		£000	£000	£000	£000
<b>Income</b>					
Tuition Fees and Education Contracts	1	131,777	131,777	121,964	121,964
Funding Body Grants	2	93,896	93,896	99,065	99,065
Research Grants and Contracts	3	38,766	38,766	35,442	35,442
Other Income	4	19,702	19,702	19,905	20,907
Investment Income	5	7,852	7,950	4,114	4,141
Donations and Endowments	6	1,113	1,113	961	961
<b>Total Income</b>		<b>293,106</b>	<b>293,204</b>	281,451	282,480
<b>Expenditure</b>					
Staff Costs	7	161,554	161,474	151,075	151,075
Movement in USS Pension Provision	7	(79,836)	(79,836)	(12,878)	(12,878)
Movement in NILGOSC Pension Provision	7	18	18	2,139	2,139
		81,736	81,656	140,336	140,336
Other Operating Expenses	8	105,545	105,003	96,600	96,591
Depreciation	11	29,242	29,242	28,857	28,857
Impairment	11	1,118	1,118	-	-
Interest and Other Finance Costs	9	2,557	2,557	3,176	3,176
<b>Total Expenditure</b>		<b>220,198</b>	<b>219,576</b>	268,969	268,960
<b>Surplus Before Other Gains and Losses</b>		<b>72,908</b>	<b>73,628</b>	12,482	13,520
Gain on Disposal of Fixed Assets		2,488	2,488	1,357	1,357
Gain on Investments	12	1,160	516	7,282	1,906
<b>Surplus Before Taxation</b>		<b>76,556</b>	<b>76,632</b>	21,121	16,783
<b>Taxation</b>		-	-	(4)	-
<b>Surplus After Taxation</b>		<b>76,556</b>	<b>76,632</b>	21,117	16,783
Actuarial Gain in Respect of Pension Schemes	22	6,774	6,774	17,187	17,187
<b>Total Comprehensive Income for the Year</b>		<b>83,330</b>	<b>83,406</b>	38,304	33,970
Represented by:					
Endowment Comprehensive Income/(Deficit) for the Year		1,008	1,008	(328)	(328)
Unrestricted Comprehensive Income for the Year		87,773	87,849	43,047	38,713
Revaluation Reserve Comprehensive (Deficit) for the Year		(5,451)	(5,451)	(4,415)	(4,415)
<b>Total</b>		<b>83,330</b>	<b>83,406</b>	38,304	33,970

## Statement of Changes in Reserves

### Group and University Statement of Changes in Reserves Year Ended 31 July 2024

Group	Income and Expenditure Reserve			Total
	Endowment	Unrestricted	Revaluation Reserve	
	£000	£000	£000	
<b>Balance at 1 August 2022</b>	15,363	213,713	94,370	323,446
(Deficit)/Income from the Statement of Comprehensive Income	(328)	21,445	-	21,117
Other Comprehensive Income	-	17,187	-	17,187
Transfers Between Revaluation and Income and Expenditure Reserve	-	4,415	(4,415)	-
Total Comprehensive (Deficit)/Income for the Year	(328)	43,047	(4,415)	38,304
<b>Balance at 1 August 2023</b>	<b>15,035</b>	<b>256,760</b>	<b>89,955</b>	<b>361,750</b>
Income from the Statement of Comprehensive Income	1,008	75,548	-	76,556
Other Comprehensive Income	-	6,774	-	6,774
Transfers Between Revaluation and Income and Expenditure Reserve	-	5,451	(5,451)	-
<b>Total Comprehensive Income/(Deficit) for the Year</b>	<b>1,008</b>	<b>87,773</b>	<b>(5,451)</b>	<b>83,330</b>
<b>Balance at 31 July 2024</b>	<b>16,043</b>	<b>344,533</b>	<b>84,504</b>	<b>445,080</b>

## Statement of Changes in Reserves (continued)

### Group and University Statement of Changes in Reserves Year Ended 31 July 2024

University	Income and Expenditure Reserve		Revaluation Reserve	Total
	Endowment	Unrestricted		
	£000	£000	£000	£000
<b>Balance at 1 August 2022</b>	15,363	206,067	94,370	315,800
(Deficit)/income from the Statement of Comprehensive Income	(328)	17,111	-	16,783
Other comprehensive Income	-	17,187	-	17,187
Transfers Between Revaluation and Income and Expenditure Reserve	-	4,415	(4,415)	-
Total Comprehensive (Deficit)/Income for the Year	(328)	38,713	(4,415)	33,970
<b>Balance at 1 August 2023</b>	<b>15,035</b>	<b>244,780</b>	<b>89,955</b>	<b>349,770</b>
Income from the Statement of Comprehensive Income	1,008	75,624	-	76,632
Other Comprehensive Income	-	6,774	-	6,774
Transfers Between Revaluation and Income and Expenditure Reserve	-	5,451	(5,451)	-
<b>Total Comprehensive Income/(Deficit) for the Year</b>	<b>1,008</b>	<b>87,849</b>	<b>(5,451)</b>	<b>83,406</b>
<b>Balance at 31 July 2024</b>	<b>16,043</b>	<b>332,629</b>	<b>84,504</b>	<b>433,176</b>



# Balance Sheets

## Balance Sheets as at 31 July 2024

	Note	Group 2024	University 2024	Group 2023	University 2023
		£000	£000	£000	£000
<b>Fixed Assets</b>					
Tangible Assets	11	541,053	532,928	556,879	556,879
Investments	12	34,357	20,173	31,496	18,842
<b>Total Fixed Assets</b>		<b>575,410</b>	<b>553,101</b>	588,375	575,721
<b>Current Assets</b>					
Debtors	13	34,924	37,422	35,604	36,604
Investments and Short Term Deposits	14	127,205	127,205	102,264	102,264
Cash at Bank and In Hand	15	12,060	10,622	27,650	27,331
<b>Total Current Assets</b>		<b>174,189</b>	<b>175,249</b>	165,518	166,199
Creditors: Amounts Falling Due Within One Year	16	(75,665)	(74,125)	(72,908)	(72,915)
<b>Net Current Assets</b>		<b>98,524</b>	<b>101,124</b>	92,610	93,284
<b>Total Assets Less Current Liabilities</b>		<b>673,934</b>	<b>654,225</b>	680,985	669,005
Creditors: Amounts Falling Due After More Than One Year	17	(255,542)	(247,737)	(260,074)	(260,074)
Pension Liability		-	-	(78,042)	(78,042)
Pension Asset		26,688	26,688	18,881	18,881
Provision for Liabilities	18	26,688	26,688	(59,161)	(59,161)
<b>Net Assets Including Pension Assets and Liabilities</b>		<b>445,080</b>	<b>433,176</b>	361,750	349,770
<b>Reserves</b>					
<b>Restricted Reserves</b>					
Endowment Reserve	19	16,043	16,043	15,035	15,035
<b>Unrestricted Reserves</b>					
Income and Expenditure Account – Unrestricted		344,533	332,629	256,760	244,780
Revaluation Reserve		84,504	84,504	89,955	89,955
<b>Total Reserves</b>		<b>445,080</b>	<b>433,176</b>	361,750	349,770

The Financial Statements on pages 30 to 61 were approved by the Council on 25 November 2024 and signed on its behalf by:

**Mr David Clements**  
Honorary Treasurer

**Ms Elaine Hartin**  
Chief Strategy and Finance Officer

**Professor Paul Bartholomew**  
Vice-Chancellor and Chief Accounting Officer

# Group Cash Flow Statement

## Group Cash Flow Year Ended 31 July 2024

	Note	Year ended 31 July 2024	Year ended 31 July 2023
		£000	£000
<b>Cash Flow from Operating Activities</b>			
Surplus for the Year before Taxation		76,556	21,121
Taxation		-	(4)
<b>Surplus for the Year after Taxation</b>		<b>76,556</b>	21,117
<b>Adjustment for Non-Cash Items</b>			
Depreciation	11	29,242	28,857
Impairment	11	1,118	
Gain on investments	12	(1,134)	(7,282)
Decrease/(Increase) in Debtors	13	680	(8,359)
(Decrease)/Increase in Creditors	16	(2,291)	14,049
(Decrease) in Pension Provision	18	(79,075)	(8,008)
Deferred capital grants released income		(7,402)	(6,210)
<b>Adjustment for Investing or Financing Activities</b>			
Investment Income	5	(7,852)	(4,114)
Interest Payable	9	509	525
New Endowment Received	6	(123)	(128)
Profit on Disposal of fixed assets		(2,488)	(1,357)
<b>Net Cash Inflow from Operating Activities</b>		<b>7,740</b>	29,090
<b>Cash Flows from Investing Activities</b>			
Capital Grant Receipts		8,266	2,520
Disposal of Non-Current Asset Investments	12	454	728
Investment Income	5	7,852	4,114
Payments made to Acquire Fixed Assets	11	(14,988)	(18,233)
Fixed Asset Disposal Proceeds		2,925	1,650
New Non-Current Asset Investment	12	(2,181)	(851)
New Fixed Deposits		(24,941)	(20,040)
		<b>(22,613)</b>	(30,112)
<b>Cash Flows from Financing Activities</b>			
Interest Paid	9	(509)	(525)
New Endowments Received	6	123	128
Repayments of Amounts Borrowed	17	(331)	(313)
		<b>(717)</b>	(710)
<b>(Decrease) in Cash and Cash Equivalents in the Year</b>		<b>(15,590)</b>	(1,732)
Cash and Cash Equivalents at Beginning of the Year		27,650	29,382
Cash and Cash Equivalents at End of the Year		<b>12,060</b>	27,650

# Notes to the Financial Statements

<b>1. Tuition Fees and Education Contracts</b>	<b>Group 2024</b>	<b>University 2024</b>	<b>Group 2023</b>	<b>University 2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Full-time Student Fees	67,090	67,090	62,987	62,987
Overseas Student Fees	31,651	31,651	24,061	24,061
Part-time Fees	11,247	11,247	12,950	12,950
DOH Education Contract	21,361	21,361	20,714	20,714
Short Course Fees	428	428	1,252	1,252
	<b>131,777</b>	<b>131,777</b>	121,964	121,964

<b>2. Funding Body Grants</b>	<b>Group 2024</b>	<b>University 2024</b>	<b>Group 2023</b>	<b>University 2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Recurrent Grant	84,507	84,507	84,704	84,704
Special Initiatives	3,454	3,454	8,579	8,579
Deferred Capital Grants Released in Year				
– Buildings	3,739	3,739	3,926	3,926
– Equipment	2,196	2,196	1,856	1,856
	<b>93,896</b>	<b>93,896</b>	99,065	99,065

<b>3. Research Grants and Contracts</b>	<b>Group 2024</b>	<b>University 2024</b>	<b>Group 2023</b>	<b>University 2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Research Councils	16,756	16,756	13,802	13,802
UK Charities	1,803	1,803	1,708	1,708
EU Government	2,225	2,225	2,785	2,785
UK Central Government	12,799	12,799	12,397	12,397
Overseas (Non-EU)	898	898	876	876
Health and Hospital Authorities	187	187	217	217
Other Sources	4,098	4,098	3,657	3,657
	<b>38,766</b>	<b>38,766</b>	35,442	35,442

Included in Research Grants and Contracts Income is £1,283k (2023: £243k) in relation to deferred capital grant release

<b>4. Other Income</b>	<b>Group 2024</b>	<b>University 2024</b>	<b>Group 2023</b>	<b>University 2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Residences, Catering and Conferences	2,996	2,996	2,425	2,425
Other Services Rendered	7,303	7,303	9,319	9,325
Other Income	9,219	9,219	7,977	8,973
Deferred Grant Release	184	184	184	184
	<b>19,702</b>	<b>19,702</b>	19,905	20,907

## Notes to the Financial Statements (continued)

<b>5. Investment Income</b>	<b>Group 2024</b>	<b>University 2024</b>	<b>Group 2023</b>	<b>University 2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Investment Income on Expendable Endowments	53	53	57	57
Investment Income on Permanent Endowments	420	420	414	414
Income from Short Term Investments	6,328	6,426	3,461	3,488
Net Receivable Interest on Pension Scheme	1,051	1,051	182	182
	<b>7,852</b>	<b>7,950</b>	4,114	4,141
<b>6. Donation and Endowments</b>	<b>Group 2024</b>	<b>University 2024</b>	<b>Group 2023</b>	<b>University 2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
New Endowments	123	123	128	128
Donations	990	990	833	833
	<b>1,113</b>	<b>1,113</b>	961	961
<b>7. Staff Costs</b>	<b>Group 2024</b>	<b>University 2024</b>	<b>Group 2023</b>	<b>University 2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Wages and Salaries	128,785	128,713	116,611	116,611
Social Security Costs	12,452	12,444	11,253	11,253
Other Pension Costs (Note 22)	20,317	20,317	23,211	23,211
Movement on USS Pension Provision (Note 18)	(79,836)	(79,836)	(12,878)	(12,878)
Movement on NILGOSC Pension Provision (Note 18)	18	18	2,139	2,139
	<b>81,736</b>	<b>81,656</b>	140,336	140,336
<b>Emolument of the Vice-Chancellor</b>	<b>Group 2024</b>	<b>University 2024</b>	<b>Group 2023</b>	<b>University 2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Salary	273	273	263	263
Benefits	-	-	-	-
	<b>273</b>	<b>273</b>	263	263
Employers Pension Contributions	47	47	57	57
	<b>320</b>	<b>320</b>	320	320

	<b>2024</b>	<b>2023</b>
Ratio of Vice-Chancellor's Basic Salary to Median Basic Salary of Member of University Staff	<b>6.17:1</b>	6.15:1
Ratio of Vice-Chancellor's Total Remuneration to Median Total Remuneration of Member of University Staff	<b>6.17:1</b>	6.11:1

The Vice-Chancellor leads Ulster University to make a significant social, economic and cultural contribution helping our community to thrive and confidently supporting Northern Ireland on the global stage. In an increasingly competitive sector, University leadership reflects the scale, complexity and impact of higher education across research and teaching. The current Vice-Chancellor is employed on a fixed salary contract which is subjected to an annual uplift in line with the outcome of the national collective pay bargaining. The Vice-Chancellor's salary was determined by the University's committee responsible for remuneration and governance and was set in line with the benchmarked salaries of other Vice-Chancellors who lead similar sized and income earning Higher Education institutions in the sector in the UK.

<b>Excluding the Vice-Chancellor, Remuneration of other Higher Paid Staff was in the Following Bands:</b>	<b>Group 2024</b>	<b>University 2024</b>	<b>Group 2023</b>	<b>University 2023</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
£100,000 - £104,999	24	24	12	12
£105,000 - £109,999	16	16	9	9
£110,000 - £114,999	7	7	1	1
£115,000 - £119,999	5	5	1	1
£120,000 - £124,999	0	0	1	1
£125,000 - £129,999	3	3	1	1
£130,000 - £134,999	1	1	3	3
£135,000 - £139,999	0	0	1	1
£140,000 - £144,999	4	4	2	2
£145,000 - £149,999	1	1	-	-
£155,000 - £159,999	0	0	2	2
£160,000 - £164,999	2	2	-	-
£170,000 - £174,999	0	0	1	1
£175,000 - £179,999	2	2	-	-

<b>Key Management Personnel</b>	<b>Group 2024</b>	<b>University 2024</b>	<b>Group 2023</b>	<b>University 2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Key Management Personnel Remuneration	<b>2,268</b>	<b>2,219</b>	2,501	2,501

#### **Compensation for Loss of Office**

Compensation Payable Recorded Within Staff Costs	<b>675</b>	<b>675</b>	1,130	1,130
Number of Staff Who Received Compensation	<b>58</b>	<b>58</b>	70	70

During the year the University paid £675K for compensation for loss of office to 58 members of staff. These payments to staff in 2023/24 were mainly as a result of the relocation of the School of Health Sciences from Jordanstown campus to the Derry~Londonderry campus and the termination of research related fixed-term contracts, which attract a redundancy position by virtue of the nature of the funding arrangements.

#### **The Average Weekly Number of Persons (Including Senior Post Holders) Employed by the University During the Year, Expressed as Full-time Equivalents, was:**

	<b>Group 2024</b>	<b>University 2024</b>	<b>Group 2023</b>	<b>University 2023</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
Academic	1,196	1,196	1,149	1,149
Technical	171	171	165	165
Administrative	690	688	633	633
Other Including Clerical and Manual	584	584	545	545
	<b>2,641</b>	<b>2,639</b>	2,492	2,492

## Notes to the Financial Statements (continued)

<b>8. Other Operating Expenses</b>	<b>Group 2024</b>	<b>University 2024</b>	<b>Group 2023</b>	<b>University 2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Residences and Conferences	2,582	2,582	3,204	3,204
Consumables and Laboratory equipment	3,118	3,118	3,206	3,206
Equipment not Capitalised	3,850	3,522	4,948	4,948
Books and Periodicals	4,372	4,372	4,182	4,182
Fellowships, Scholarships and Prizes	787	787	562	562
Rates	6,619	6,619	3,727	3,727
Heat, Light, Water and Power	6,695	6,695	7,666	7,666
Long Term Maintenance	9,985	9,985	8,994	8,994
Contracted Out Services	8,042	8,042	7,366	7,366
Grants to Ulster University Students' Union	2,039	2,039	1,942	1,942
External Auditors' Remuneration	104	83	87	81
External Auditors' Remuneration in Respect of Non-Audit Services	20	18	36	34
Internal Auditors' Remuneration	157	157	143	143
Internal Auditors' Remuneration in Respect of Non-Audit Services	159	159	191	191
Printing and Stationery	1,340	1,340	1,144	1,144
Travel, Subsistence and Hospitality	6,890	6,888	5,292	5,292
Miscellaneous Academic Support	1,754	1,754	1,716	1,716
Telephone and Postage	263	263	310	310
Research Sub-contracting	7,936	7,936	7,032	7,032
Legal and Professional Services	17,837	17,649	14,931	14,931
IT Services	7,679	7,679	5,813	5,813
Advertising and Publicity	1,637	1,636	1,787	1,787
Student Support	9,767	9,767	9,304	9,304
Other Expenses	1,913	1,913	3,017	3,016
	<b>105,545</b>	<b>105,003</b>	96,600	96,591

<b>9. Interest and Other Finance Costs</b>	<b>Group 2024</b>	<b>University 2024</b>	<b>Group 2023</b>	<b>University 2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Bank Loans	112	112	128	128
Other Loans	397	397	397	397
Net Charge on Pension Schemes	1,794	1,794	2,913	2,913
Exchange Differences	254	254	(262)	(262)
	<b>2,557</b>	<b>2,557</b>	3,176	3,176

<b>10. Analysis of 2024 Expenditure by Activity</b>	<b>Staff Costs</b>	<b>Depreciation and impairment</b>	<b>Other Operating Expenses</b>	<b>Interest and Other Finance Costs</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Academic Departments	91,219	2,071	13,732	-	107,022
Academic Services	26,427	4,234	21,852	-	52,513
Research Grants and Contracts	12,866	1,175	17,350	-	31,391
Residences, Catering and Conferences	1,419	670	4,025	-	6,114
Premises	4,603	20,216	25,881	509	51,209
Administration	22,427	1,994	20,666	254	45,341
Other Expenses	(77,225)	-	2,039	1,794	(73,392)
	<b>81,736</b>	<b>30,360</b>	<b>105,545</b>	<b>2,557</b>	<b>220,198</b>

**£000**

**The depreciation and impairment  
charged has been funded by:**

Release from Deferred Capital Grants	6,119
Release from Research Grants and Contracts	1,283
Transfer from Revaluation Reserve	4,415
General Income	18,543
	<b>30,360</b>

## Notes to the Financial Statements (continued)

11. Tangible Assets – Group	Freehold Land and Buildings	Assets Under Construction	Equipment	Total
	£000	£000	£000	£000
<b>Valuation or Cost</b>				
At 1 August 2023				
Revaluation	173,696	-	-	173,696
Cost	510,935	19,892	83,637	614,464
<b>Total</b>	<b>684,631</b>	<b>19,892</b>	<b>83,637</b>	<b>788,160</b>
Additions at Cost	3,359	8,632	2,958	14,949
Transfer CIP	19,506	(19,666)	160	-
Disposals	(547)	-	(3,618)	(4,165)
At 31 July 2024				
Revaluation	173,696	-	-	173,696
Cost	533,253	8,858	83,137	625,248
<b>Total</b>	<b>706,949</b>	<b>8,858</b>	<b>83,137</b>	<b>798,944</b>
<b>Accumulated Depreciation</b>				
At 1 August 2023	172,023	-	59,258	231,281
Depreciation	19,801	-	9,441	29,242
Impairment	1,118	-	-	1,118
Disposals	(132)	-	(3,618)	(3,750)
<b>At 31 July 2024</b>	<b>192,810</b>	<b>-</b>	<b>65,081</b>	<b>257,891</b>
<b>Net Book Value</b>				
<b>At 31 July 2024</b>	<b>514,139</b>	<b>8,858</b>	<b>18,056</b>	<b>541,053</b>
At 31 July 2023	512,608	19,892	24,379	556,879

The impairment charge relates to the tower building on the Coleraine campus which is due to be demolished in 2024/25.



<b>11. Tangible Assets – Ulster University</b>	<b>Freehold Land and Buildings</b>	<b>Assets Under Construction</b>	<b>Equipment</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Valuation or Cost</b>				
At 1 August 2023				
Revaluation	173,696	-	-	173,696
Cost	510,935	19,892	83,637	614,464
<b>Total</b>	<b>684,631</b>	<b>19,892</b>	<b>83,637</b>	<b>788,160</b>
Additions at Cost	3,359	974	2,958	7,291
Transfer CIP	19,506	(19,666)	160	-
Disposals	(547)	-	(4,085)	(4,632)
At 31 July 2024				
Revaluation	173,696	-	-	173,696
Cost	533,253	1,200	82,670	617,123
<b>Total</b>	<b>706,949</b>	<b>1,200</b>	<b>82,670</b>	<b>790,819</b>
<b>Accumulated Depreciation</b>				
At 1 August 2023	172,023	-	59,258	231,281
Depreciation	19,801	-	9,441	29,242
Impairment	1,118	-	-	1,118
Disposals	(132)	-	(3,618)	(3,750)
<b>At 31 July 2024</b>	<b>192,810</b>	<b>-</b>	<b>65,081</b>	<b>257,891</b>
<b>Net Book Value</b>				
<b>At 31 July 2024</b>	<b>514,139</b>	<b>1,200</b>	<b>17,589</b>	<b>532,928</b>
At 31 July 2023	512,608	19,892	24,379	556,879

The impairment charge relates to the tower building on the Coleraine campus which is due to be demolished in 2024/25.

## Notes to the Financial Statements (continued)

<b>12. Fixed Asset Investments</b>	Subsidiary Companies	Other Fixed Asset Investments	Subsidiary Investment in Spinouts	Endowment Fund Investments	Total
<b>Group</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 August 2023	-	2,305	14,156	15,035	31,496
Additions	-	-	1,585	596	2,181
Disposals	-	-	-	(454)	(454)
Fair Value Adjustments	-	(350)	618	866	1,134
<b>At 31 July 2024</b>	<b>-</b>	<b>1,955</b>	<b>16,359</b>	<b>16,043</b>	<b>34,357</b>
<b>University</b>					
At 1 August 2023	1,502	2,305	-	15,035	18,842
Additions	673	-	-	596	1,269
Disposals	-	-	-	(454)	(454)
Fair Value Adjustments	-	(350)	-	866	516
<b>At 31 July 2024</b>	<b>2,175</b>	<b>1,955</b>	<b>-</b>	<b>16,043</b>	<b>20,173</b>

Other fixed asset investments relates to the University's interest in Ulster Equity Limited Partnership.

<b>13. Debtors</b>	Group 2024	University 2024	Group 2023	University 2023
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade Debtors	21,455	21,439	23,999	23,976
Amounts Due from Group Undertakings	-	4,504	-	1,023
Prepayments and Accrued Income	13,469	11,479	11,605	11,605
	<b>34,924</b>	<b>37,422</b>	35,604	36,604

Amounts due from Group Undertakings includes loan balances of £2.59m (2023; £1.0m) due after one year.

<b>14. Investments and Short Term Deposits</b>	Group 2024	University 2024	Group 2023	University 2023
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Investments and Short Term Deposits	127,205	127,205	102,264	102,264
	<b>127,205</b>	<b>127,205</b>	102,264	102,264

Under the terms of the loan agreement with the Strategic Investment Board (see note 17) the University holds a Cash Reserve account. The investments balance in 2024 includes funds of £28.8m in the Cash Reserve account (2023: £19.3m). There are restrictions over the use of these funds that require prior consent from the Strategic Investment Board.

<b>15. Cash at Bank and In Hand</b>	<b>Group 2024</b>	<b>University 2024</b>	<b>Group 2023</b>	<b>University 2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cash at Bank and In Hand	12,060	10,622	27,650	27,331
	<b>12,060</b>	<b>10,622</b>	27,650	27,331

<b>16. Creditors:</b>	<b>Group 2024</b>	<b>University 2024</b>	<b>Group 2023</b>	<b>University 2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>

<b>Amounts Falling Due Within One Year</b>				
Bank Loans	348	348	331	331
Other Loans	6,344	6,344	-	-
Trade Creditors	27,603	26,800	29,694	29,694
Amounts owed by Group undertakings	-	17	-	15
Taxation and Social Security	6,629	6,629	7,076	7,076
Accruals	28,395	27,755	28,165	28,157
Deferred Capital Grants	6,346	6,232	7,642	7,642
	<b>75,665</b>	<b>74,125</b>	72,908	72,915

<b>17. Creditors:</b>	<b>Group 2024</b>	<b>University 2024</b>	<b>Group 2023</b>	<b>University 2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>

<b>Amounts Falling Due After More Than One Year</b>				
Bank Loans	1,491	1,491	1,839	1,839
Other Loans	152,256	152,256	158,600	158,600
Deferred Capital Grants	101,795	93,990	99,635	99,635
	<b>255,542</b>	<b>247,737</b>	260,074	260,074

#### **Bank Loans**

<b>Amounts Falling Due:</b>				
Less Than One Year ( <b>Note 16</b> )	348	348	331	331
Between One and Two Years	368	368	348	348
Between Two and Five Years	1,123	1,123	1,168	1,168
Greater Than Five Years	-	-	323	323
	<b>1,839</b>	<b>1,839</b>	2,170	2,170

#### **Other Loans**

<b>Amounts Falling Due:</b>				
Less Than One Year ( <b>Note 16</b> )	6,344	6,344	-	-
Between One and Two Years	6,344	6,344	6,344	6,344
Between Two and Five Years	19,032	19,032	19,032	19,032
Greater Than Five Years	126,880	126,880	133,224	133,224
	<b>158,600</b>	<b>158,600</b>	158,600	158,600

## Notes to the Financial Statements (continued)

Included in the loans are the following:

Lender	Amount £000	Repayable	Interest Rate
First Trust Bank Loan	1,839	2004-2029	5.475 %
Strategic Investment Board Loan	158,600	2025-2049	0.25 %

The First Trust bank loan is secured by a negative pledge on a portion of land on the Jordanstown campus.

The Strategic Investment Board loan is secured by a fixed charge on the property of the University's four campuses.

Net Debt Movement	Group	University	Group	University
	2024	2024	2023	2023
	£000	£000	£000	£000
Balance at 1 August 2023	160,770	160,770	161,083	161,083
Capital repayments	(331)	(331)	(313)	(313)
<b>Balance at 31 July 2024</b>	<b>160,439</b>	<b>160,439</b>	<b>160,770</b>	<b>160,770</b>

18. Provisions for Liabilities	Obligation to Fund Deficit on USS Pension (Note 22)	Defined Benefit Obligations (Note 22)	Total Provision
Group and University	£000	£000	£000
At 1 August 2023	78,042	(18,881)	59,161
(Credited)/Charged During the Year:			
Staff Costs	(79,836)	18	(79,818)
Interest Payable/(receivable)	1,794	(1,051)	743
Actuarial Gain	-	(6,774)	(6,774)
<b>At 31 July 2024</b>	<b>-</b>	<b>(26,688)</b>	<b>(26,688)</b>

### USS Deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arose from the contractual obligation with the USS to deficit payments in accordance with the deficit recovery plan.

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%.

As set out in Note 22 no deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The University was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the Statement of Comprehensive Income.

The major assumptions used to calculate the obligation in 2023 were:

	2023
Discount Rate	5.52%
Salary Growth	3.0%

<b>19. Endowment Reserves</b>	<b>Unrestricted Permanent</b>	<b>Restricted Permanent</b>	<b>Total Permanent</b>	<b>Restricted Expendable</b>	<b>2024 Total</b>	<b>2023 Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Group and University</b>						
Balances at 1 August 2023						
Capital	362	11,213	11,575	3,786	<b>15,361</b>	15,631
Accumulated Income and (Expenditure)	111	1,693	1,804	(2,130)	<b>(326)</b>	(268)
	473	12,906	13,379	1,656	<b>15,035</b>	15,363
New Endowments	-	2	2	121	<b>123</b>	128
Investment Income	15	405	420	53	<b>473</b>	471
Expenditure	-	(175)	(175)	(279)	<b>(454)</b>	(528)
	15	230	245	(226)	<b>19</b>	(57)
Increase/(Decrease) in Market Value of Investments	26	740	766	100	<b>866</b>	(399)
<b>At 31 July 2024</b>	<b>514</b>	<b>13,878</b>	<b>14,392</b>	<b>1,651</b>	<b>16,043</b>	15,035
Represented By						
Capital	388	11,955	12,343	4,007	<b>16,350</b>	15,361
Accumulated Income and (Expenditure)	126	1,923	2,049	(2,356)	<b>(307)</b>	(326)
	<b>514</b>	<b>13,878</b>	<b>14,392</b>	<b>1,651</b>	<b>16,043</b>	15,035

#### Analysis by Type of Purpose:

	<b>Unrestricted Permanent</b>	<b>Restricted Permanent</b>	<b>Total Permanent</b>	<b>Restricted Expendable</b>	<b>2024 Total</b>	<b>2023 Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Lectureships	-	4,564	4,564	257	<b>4,821</b>	4,558
Scholarships and Bursaries	-	759	759	490	<b>1,249</b>	1,162
Research Support	-	6,305	6,305	904	<b>7,209</b>	6,766
Prize Funds	-	2,250	2,250	-	<b>2,250</b>	2,076
General	514	-	514	-	<b>514</b>	473
	<b>514</b>	<b>13,878</b>	<b>14,392</b>	<b>1,651</b>	<b>16,043</b>	15,035

#### Analysis by Asset:

	<b>Unrestricted Permanent</b>	<b>Restricted Permanent</b>	<b>Total Permanent</b>	<b>Restricted Expendable</b>	<b>2024 Total</b>	<b>2023 Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Current and Non Current Asset Investments	514	13,878	14,392	1,651	<b>16,043</b>	15,035

## Notes to the Financial Statements (continued)

<b>20. Capital Commitments</b>	<b>2024</b>	<b>2023</b>
<b>Group and University</b>	<b>£000</b>	<b>£000</b>
Commitments Contracted at 31 July 2024	<b>1,330</b>	5,244
Authorised but not Contracted at 31 July 2024	<b>23,808</b>	10,962
	<b>25,138</b>	16,206

### 21. Contingent Liabilities

At the year end there were no legal proceedings that are expected to result in a settlement of a material amount by the University.

On 5 July 2022 the University entered into an agreement for lease with the Belfast Harbour Commissioners in respect of the studio facility to be constructed by the Belfast Harbour Commissioners, and which Studio Ulster Limited would operate from. This agreement for lease was subsequently novated to the Studio Ulster Limited on 29 August 2024. Further, and to enable installation of studio equipment purchased by Studio Ulster Limited before finalisation of the lease agreement (see below), on 30 August 2024 an early access agreement was entered into between the Belfast Harbour Commissioners and Studio Ulster Limited for nil consideration.

At this time the lease agreement related to the studio facility remains to be agreed. However, based on current negotiations with the Belfast Harbour Commissioners this lease is expected to result in an initial lease term of 15 years.

### 22. Net Pension Liability

The University participates in three pension schemes. The schemes are the Universities Superannuation Scheme (USS), the Northern Ireland Local Government Officers Superannuation Committee Pension Fund (NILGOSC) and the Health & Social Care Service Pension Scheme (HSCPS). The schemes are defined benefit schemes, which are externally funded. The assets of each scheme are held in a separate trustee-administered fund. The University has a small number of staff in the new School of Medicine who are members of the Health & Social Care Service Pension Scheme, a defined benefit pension scheme for health and social care workers in Northern Ireland. Disclosures are not included for this pension scheme on grounds of materiality.

#### USS Pension Scheme

The University participates in the Universities Superannuation Scheme (USS). The scheme is a hybrid scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee administered fund.

Due to the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee benefits', the University therefore accounts for the scheme as if it were a wholly defined contribution scheme.

Where a scheme valuation determines that the scheme is in deficit on a technical provision basis (as was the case following the 2020 valuation), the trustees of the scheme must agree a Recovery Plan that determines how each employer within the scheme will fund an overall deficit. The University recognises a liability for the contributions payable that arose from such an agreement (to the extent that they related to a deficit) with related expenses being recognised through the Statement of Comprehensive Income. Following the 2023 valuation a deficit recovery plan was no longer required because the scheme was in surplus on a technical provisions basis. Further disclosures relating to the deficit recovery liability can be found in note 18.

As a result, the amount charged or credited to the Consolidated Statement of Comprehensive Income represents the contributions payable to the scheme, and until 31 December 2023 the movements in liability for the deficit recovery contributions payable under the Scheme's Recovery Plan.

The total cost credited to the Comprehensive Income account is £78m (2022/23: charge £10.0m).

Deficit recovery contributions due within one year for the institution are £nil (2022/23: £5.7m).

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2023 (the valuation date), and was carried out using the projected unit method.

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles.

**[uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles](https://uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles)**

CPI assumption	<ul style="list-style-type: none"> <li>Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: <ul style="list-style-type: none"> <li>1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030</li> </ul> </li> </ul>
Pension increases (subject to a floor of 0%)	<ul style="list-style-type: none"> <li>Benefits with no cap: CPI assumption plus 3bps</li> <li>Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excesses inflation over 5% up to a maximum of 10%): CPI assumptions minus 3bps</li> </ul>
Discount rate (forward rates)	<ul style="list-style-type: none"> <li>Fixed interest gilt yield curve plus: <ul style="list-style-type: none"> <li>Pre-retirement: 2.5% p.a.</li> <li>Post retirement: 0.9% p.a.</li> </ul> </li> </ul>

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

**2023 Valuation**

Mortality Base Table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future Improvements to Mortality	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

The current life expectancies on retirement at age 65 are:

	2024	2023
Males currently aged 65 (years)	23.7	24.0
Females currently aged 65 (years)	25.6	25.6
Males currently aged 45 (years)	25.4	26.0
Females currently aged 45 (years)	27.2	27.4

## Notes to the Financial Statements (continued)

### NILGOSC Pension Scheme

The University is able to identify its share of the underlying assets and liabilities of the NILGOSC scheme and accordingly present the following information required by FRS 102.

A valuation of the fund was carried out at 31 March 2022 and updated to 31 July 2024 by a qualified independent actuary.

Balance Sheet	At 31 July 2024	At 31 July 2023
	£000	£000
Present Value of Scheme Liabilities	<b>(184,196)</b>	(177,945)
Fair Value of Scheme Assets	<b>210,884</b>	196,826
Net Pension Asset	<b>26,688</b>	18,881

The FRS 102 valuation of the NILGOSC scheme as at 31 July 2024 resulted in an estimated net pension plan asset of £26,688,000. FRS 102 requires that an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Since FRS 102 provides no further guidance in this respect, as allowed under FRS 102 the University Council have considered the relevant requirements of International Financial Reporting Standards, in particular IFRIC Interpretation 14 IAS 19—“The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction” (IFRIC 14).

The University Council have considered the ability of the University to recover a surplus through reduced contributions in the future. This has included obtaining an assessment from an independent actuary based on the requirements of IFRIC 14. This assessment estimates that using both a perpetuity approach (i.e. assuming the University would never exit the NILGOSC scheme) and using the remaining service life of the current member employees used in the latest triennial funding valuation, that the present value of the estimated future service cost in each period less the estimated minimum funding requirement contributions that would be required for future service in those periods would be negative. Consequently, no economic benefit is available as a reduction in future contributions.

IFRIC 14 requires that the right to recovery through a refund must be unconditional. While the NILGOSC “Admission and Exit Policy” and The Local Government Pension Scheme Regulations (Northern Ireland) 2014 require the calculation of an exit refund and provide NILGOSC with the ability to defer the timing of any resultant refund payment, neither of these conditions are considered as conditional events over the right of the University to a refund on exit from the NILGOSC scheme. The University Council have therefore concluded that the University does have an unconditional right to a refund of a surplus in the NILGOSC scheme.

The University Council are aware of the June 2023 UK High Court ruling in the case of NTL v Virgin Media, and related July 2024 Court of Appeal decision, which has rendered relevant amendments made between 6 April 1997 and 5 April 2016 to affected contracted-out UK defined benefit pension scheme rules invalid and void in certain circumstances. In particular, section 37 of the Pension Schemes Act 1993 only allowed the rules of contracted-out schemes to be altered in certain circumstances, with the judgment in the Virgin Media case making it clear that where an amendment was made which affected section 9(2B) rights without the necessary section 37 confirmation having been obtained, that amendment would be void (even if the change resulted in a benefit improvement).

The NILGOSC scheme was contracted-out during this period and the University Council and the NILGOSC Scheme Committee are aware that a number of rule changes were made during this time, including some which affected the level of member benefits. Therefore, it is possible that, if any of the rule changes are deemed invalid due to the absence of the necessary section 37 confirmation, this may lead to additional liabilities for the NILGOSC scheme and the University.

In line with the majority of UK pension schemes, the University Council and the NILGOSC Scheme Committee have not taken any action pending the outcome of the Appeal. Following the recent Appeal decision, the University will seek to work with the Committee to understand if there are any implications for the NILGOSC scheme and the University, including assessing all amendments to member benefits, whether the required section 37 confirmations were obtained and the extent of any additional liabilities arising, which will need to be recognised.

Based on their assessment as set out above, University Council have concluded that it is appropriate to recognise the estimated net pension plan asset of £26.688m at 31 July 2024.



<b>Movements in Present Value of Defined Benefit Obligation</b>	<b>At 31 July 2024</b>	<b>At 31 July 2023</b>
	<b>£000</b>	<b>£000</b>
At Beginning of the Year	(177,945)	(207,067)
Current Service Cost	(3,458)	(5,271)
Member Contributions	(1,094)	(994)
Interest Cost	(8,893)	(7,132)
Benefits Paid	8,424	7,733
Past service Cost	(45)	-
Actuarial Gains	(1,185)	34,786
<b>At End of Year</b>	<b>(184,196)</b>	<b>(177,945)</b>
<b>Movement in Fair Value of Plan Assets</b>	<b>At 31 July 2024</b>	<b>At 31 July 2023</b>
	<b>£000</b>	<b>£000</b>
At Beginning of the Year	196,826	210,718
Expected Return on Assets	9,944	7,314
Employer Contributions	3,485	3,132
Member Contributions	1,094	994
Benefits Paid	(8,424)	(7,733)
Actuarial (Losses)/Gains	7,959	(17,599)
<b>At End of Year</b>	<b>210,884</b>	<b>196,826</b>
<b>Expense Recognised in the Income and Expenditure Accounts</b>	<b>At 31 July 2024</b>	<b>At 31 July 2023</b>
	<b>£000</b>	<b>£000</b>
Current Service Cost	3,458	5,271
Interest on Defined Benefit Pension Plan Obligation	8,893	7,132
Expected Return on Defined Benefit Pension Plan Assets	(9,944)	(7,314)
Past Service Cost	45	-
<b>Total</b>	<b>2,452</b>	<b>5,089</b>
<b>The (Income)/Expense is Recognised in the Following Line Items in the Income Statement:</b>	<b>At 31 July 2024</b>	<b>At 31 July 2023</b>
	<b>£000</b>	<b>£000</b>
Staff Costs	3,503	5,271
Interest (Receivable)/Payable	(1,051)	(182)
	<b>2,452</b>	<b>5,089</b>
<b>Amounts Recognised in Other Comprehensive Income</b>	<b>At 31 July 2024</b>	<b>At 31 July 2023</b>
	<b>£000</b>	<b>£000</b>
Asset Gains/(Losses) Arising During the Period	7,959	(17,599)
Liability Gains/(Losses) Arising During the Period	(1,185)	34,786
<b>Total Amount Recognised in Other Comprehensive Income</b>	<b>6,774</b>	<b>17,187</b>

Cumulative actuarial gains recognised as Other Comprehensive Income are £81.5m (2022/23: £74.7m).

## Notes to the Financial Statements (continued)

<b>The Fair Value of the Plan Assets were as follows:</b>	<b>At 31 July 2024 Fair Value</b>	<b>At 31 July 2023 Fair Value</b>
	<b>£000</b>	<b>£000</b>
Equities	84,354	84,439
Bonds	71,279	68,101
Property	19,190	20,470
Cash	23,408	12,203
Other	12,653	11,613
	<b>210,884</b>	196,826

<b>Principal Actuarial Assumptions (Expressed as Weighted Averages) at the Year End were as follows:</b>	<b>At 31 July 2024</b>	<b>At 31 July 2023</b>
Discount Rate	5.0%	5.1%
CPI Inflation	2.6%	2.6%
Pension Increases	2.6%	2.6%
Pension Accounts Revaluation Rate	2.6%	2.6%
Salary Increases	4.1%	4.1%

<b>Mortality</b>		<b>Males</b>	<b>Females</b>
Current Pensioners	<b>2024</b>	<b>21.5 years</b>	<b>24.4 years</b>
	2023	21.7 years	24.5 years
Future Pensioners	<b>2024</b>	<b>22.1 years</b>	<b>25.2 years</b>
	2023	22.6 years	25.5 years

The University expects to contribute approximately £3.578m to NILGOSC pensions scheme in the next financial year.

The sensitivity analysis outlines the potential impact on the provision under different scenarios:

### Change in Assumptions at 31 July 2024

0.1% decrease in discount rate	£2.7m increase
0.1% increase in salaries	£0.2m increase
0.1% increase to pensions and rate of revaluation of pension accounts	£2.4m increase
1 year increase in post-retirement mortality	£4.8m decrease

<b>The Total Pension Cost for the University was:</b>	<b>Group 2024</b>	<b>Group 2023</b>
	<b>£000</b>	<b>£000</b>
Charge to Staff Costs – USS	(62,206)	7,126
Charge to Staff Costs – NILGOSC	2,633	5,289
Charge to Staff Costs – HSCPS	72	57
<b>Total Pension Cost (see Note 7)</b>	<b>(59,501)</b>	12,472

## 23. Student Support Funds

	Group and University 2024	Group and University 2023
	£000	£000
Balance Carried Forward	411	292
Funding Council Grants	1,420	2,684
Interest	3	7
Disbursed to Students	(1,497)	(2,572)
<b>Balance Underspent at 31 July 2024</b>	<b>337</b>	411

Department for the Economy (“DfE”) Student Support grants are available solely for students. The University acts only as a paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account. The support funds are used to provide financial help to students whose access to higher education might be inhibited by financial considerations or who for whatever reasons, including physical or other disabilities, face financial difficulties in meeting their living costs.

## 24. Subsidiary Company Information

There are two companies which are wholly owned subsidiary companies of the University:

### Innovation Ulster Limited

This company has been fully consolidated in the Financial Statements.

The company is controlled by the University. The company is registered and operates in Northern Ireland and has a registered address of Ulster University, BD-004-09 York Street, Belfast, Northern Ireland BT15 1ED.

Innovation Ulster Limited is a company established to develop intellectual property rights by patenting and licensing, and to arrange consultancy activities.

### Studio Ulster Limited

Studio Ulster Limited was incorporated in March 2023. The company has a registered address of Murray House, Murray Street, Belfast, Northern Ireland, BT1 6DN.

Studio Ulster Limited is a company established to provide virtual production centric services in production and post-production to stakeholders operating in the motion picture, video and television programme industry sectors.

This company has been fully consolidated in the Financial Statements.

## 25. Joint Venture Information

The University has two joint ventures. Branch Campus (London and Birmingham) Limited is a joint venture between Ulster University and QAHE (Ulst) Limited for the principal purpose of providing services in support of the provision of degree courses to domestic and international students at campuses in London and Birmingham.

C-TRIC Limited (previously named ABC Research & Innovation Limited) is a company limited by guarantee with Ulster University, Derry City and Strabane District Council and the Western Trust as equal partners. The principal activity of the company is to develop an Academia Business Clinical Research Innovation facility.

The results of Branch Campus (London & Birmingham) Limited and C-TRIC Limited are not consolidated in the Group Financial Statements on the grounds of materiality.

Through Innovation Ulster Limited (IUL), a wholly owned subsidiary, the University has a joint venture with NI Composites O & M LLP (NICOM). NICOM was incorporated in 2011 to promote collaborative research in advanced composites. It is a joint venture between IUL and Queens Composites Limited, a wholly owned subsidiary of Queen’s University Belfast. The results of NICOM are not consolidated in the Group Financial Statements on the grounds of materiality.

## Notes to the Financial Statements (continued)

### 26. Other Investments

#### Ulster Equity Limited Partnership

Ulster Equity Partnership is a limited partnership with Ulster University, Invest NI and TechStart NI for the principal purpose of carrying on the business of an investor and in particular to identify, research, negotiate, make or monitor the progress of and sell, realise, exchange or distribute equity or equity-related investments in connection with providing seed capital for the development of post – research post – proof of concept spin-out/in companies from Ulster University including from the technology sectors related to the Ulster University research base.

Through Ulster Equity Partnership the University has the following holdings:

- 7.49% of Axial Medical Printing Limited
- 0.86% of Responsible Clothing Limited (previously HARU)
- 14.92% of Humain Limited
- 3.69% of Locate Match Limited
- 6.71% of Neuroconcise Limited
- 2.82% of Neurovalens Limited
- 4.23% of CDS New Ventures Limited

#### Innovation Ulster Limited

Through Innovation Ulster Limited, a wholly owned subsidiary, the University has the following holdings:

Included in fixed asset investments above, the Company holds investment of under 25% in:

- 3% of Pulse AI Ltd
- 1.35% of Vesalic Ltd
- 21% of Klas Therapeutics
- 7.94% of Performa Sports Limited
- 2.40% of Datactics Limited
- 3.04% of Axial 3D Limited
- 6.48% of SISAF Limited
- 14.31% of Neuroconcise Limited
- 6.00% of Humain Limited
- 1.25% of Responsible (Haru)
- 7.50% of Modern Nature
- 20% of StimOxyGen Limited
- 20% of Exrt Intelligent Healthcare Limited
- 20% of Pneuma Healthcare Limited
- 16.29% of SonoTarg Limited
- 5.30% of Respiratory Analytics Limited
- 3% of Surecert
- 8.54% SWIPS
- CLN Neurovalens

The Company has holdings of greater than 25% in the following companies:

<b>Status</b>	Active	Active	Active	Active	Active	Active	Active
<b>Name</b>	Dia Beta Labs Ltd	Galvani Ltd	Actionsense Ltd	Axis Composites Ltd	Jenarron Therapeutics Ltd	Solaform Ltd	Efectis UK/Ireland Ltd
<b>Country of Incorporation</b>	Northern Ireland	United Kingdom	Northern Ireland	Northern Ireland	Northern Ireland	Northern Ireland	Northern Ireland
<b>Principal Activity</b>	Development of treatment for metabolic disease progression	Development of treatment for chronic disease	Secure digital water marking technology	Design and manufacture of 3D woven carbon fibre preforms	Putty like material applied and removed to wounds	Solar water heater	Fire testing
<b>% Shares Held and Type</b>	35%	25%	26%	28.02%	33.62%	45.63%	33.00%
<b>Convertible Loan Stock</b>	£150,000	£100,000	N/A	N/A	N/A	N/A	N/A
<b>Turnover</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Profit or Loss Before Tax</b>	N/A	(17,178)	N/A	N/A	N/A	N/A	N/A
<b>Net Assets/(Liabilities)</b>	£51.5k	£93.4k	(£137.8k)	(£1.5k)	£14k	£39.4k	£3.5m
<b>Financial Year End</b>	30 April 2023	31 Dec 2023	31 May 2023	28 Feb 2023	30 Sept 2023	31 July 2023	31 Dec 2023

In the year ended 31st July 2019 the company invested €500,000 in Enbarr Limited, an investment fund managed by Imprimatur Capital. The market value at 31 July 2024 is £856,000.

## 27. Related Party Transactions

Due to the nature of the University's operations and the composition of the University's Council (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 Council may have an interest.

All transactions involving organisations in which a member of the Council may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. The University has taken advantage of the exemptions contained in section 33, FRS 102 'Related Party Transactions' not to disclose transactions with subsidiaries as all of the voting rights are controlled within the Group.

## 28. Ultimate Controlling Party

There is no one ultimate controlling party.





