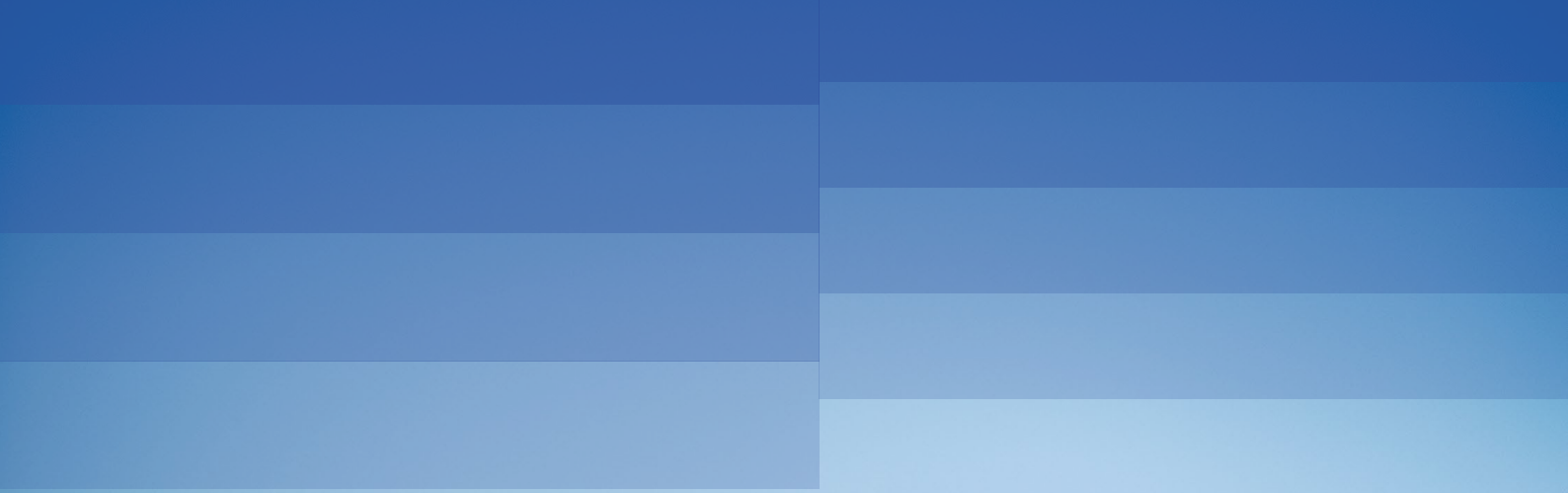


GO BEYOND BOUNDARIES



Annual Report
and Accounts
2024

EST → 1495



CONTENTS

Senior governor's Welcome	4
Principal's introduction	5
Aberdeen 2040	6
Operational Plan 2023/24	6
Commitments and update on progress	7
Sustainability Report	16
Education	18
Research	20
Statement of Corporate Governance and Internal Control	22
Statement of Primary Responsibilities of Court	31
Risk Management	34
Financial Review	38
Independent auditor's report to the Court of the University of Aberdeen	46
Financial Statements	50
Principal Advisors	91
Glossary	92

SENIOR GOVERNOR'S WELCOME



Julie Ashworth
Senior Governor

Higher education continues to face unprecedented challenges from global unrest and political uncertainty to increasing costs, international student recruitment challenges and the continued real term decline in government funding.

Financial sustainability remains a key theme, particularly in a changing landscape of international student numbers, and Aberdeen like institutions across the sector, has had to take significant steps in order to make necessary savings and diversify income.

It is crucial that universities across the UK continue to play a leading role in boosting growth and productivity. The total economic impact of the UK higher education sector's teaching, research and innovation activities on the UK economy is more than £265 billion. As a leading Scottish institution, the University of Aberdeen makes a key contribution to the economic sustainability of the North East region, and that of Scotland as a whole, which is responsible for the generation of over £17 billion of that figure annually*.

Good financial planning and strong governance are essential in underpinning the future success of the University and Court has been working closely with the Senior Management team and other stakeholders to achieve a firmer financial footing from which we can build.

Aberdeen faced significant challenges from a forecast underlying deficit of £12.5m at the beginning of the 2023/24 financial year which has been reduced to £8.5m at 31 July 2024, with approved budget deficits for 2024/25 to £6.7m, and £2.1m the following year.

Court approved plans which will support the growth of income and reshape our professional and academic services to meet the evolving needs of our students, while avoiding compulsory redundancies.

These include expanding provision of online courses, delivering more transnational education, adapting our portfolio of degree programmes to ensure they are more closely aligned to student and employer demand, continued growth in research income, scaling up fundraising and supporting increased opportunities for academic and professional services commercialisation.

While there are still challenges ahead, staff from across the University have worked tirelessly to maximise our student intake and we have continued our success in league table rankings – ensuring Aberdeen is an attractive destination for students from across the world.

We shared the progress made and our ambitions for the University at our annual stakeholder meeting in June. This provided an opportunity to speak to those interested in the success of the University about our plans to adapt and thrive in the challenging external operating environment. It was also an opportunity to celebrate our successes; such as the rebranding exercise and ongoing research awards and recognition, to name two. Other successes are covered in the annual report.

There have been a number of changes in the make-up of both Court and SMT and we are grateful for the contributions of all those who have departed and the excellent service they provided to the University.

After three years of providing an exceptional contribution to the work of the University of Aberdeen, Tracey Slaven, University Secretary and Chief Operating Officer is leaving the University to take up the role of Chief Transformation Officer at the University of Cumbria.

Tracey has led the University's Governance and Professional Services Directorates with enthusiasm and commitment, making significant progress during her time in post and we are indebted for her service to the University.

I now look forward to working with colleagues both old and new to build upon our important work to ensure Aberdeen continues to be a vibrant and attractive place to study for many decades to come and a centre for research excellence making a difference to the global challenges of our time.

* London Economics Report for Universities UK: The economic impact of higher education teaching, research and innovation, August 2024

PRINCIPAL'S INTRODUCTION



Professor George Boyne

Principal and
Vice-Chancellor

As we reflect on our institutional journey over the past 12 months, it is important for us to recognise our achievements and the challenges we have overcome together as a community of students and staff working in partnership with our alumni, supporters and colleagues across the Higher Education sector and beyond.

I am delighted that these efforts have been recognised externally. Our research awards have grown by 30% in the last year, highlighting the quality of our research, and our outstanding educational provision has again been reflected in our National Student Survey results. We are indebted to colleagues across the institution for their dedication and commitment which has produced these achievements.

This year, we have achieved our highest ever UK position of 15th in The Times and The Sunday Times Good University Guide 2025, where we also moved up from 4th to 2nd in Scotland. The University has also been ranked 12th in the UK and 2nd in Scotland in The Guardian University Guide 2025. We are very proud to have been ranked 2nd in Scotland for overall student satisfaction and 15th in the UK for positive responses in the National Student Survey (NSS) 2024. This continues our run of excellent rankings in the NSS, and I'm delighted our students continue to value the outstanding educational and student experience they receive during their time with us.

We have a distinguished record of producing ground-breaking research which addresses the key challenges facing the world today. We have continued to enhance our research environment to support our staff and students in their endeavours and to encourage academic commercialisation, particularly new company formation through start-ups and spin-outs, to support regional and wider economic development. In 2023/24, we attracted 572 new awards of external funding for research which totalled £69M, and launched innovative programmes with external partners, including Innovate UK and Converge, to support enterprise and innovation.

2023/24 has been a tumultuous year for the sector as a whole and we have not been alone in having to work extremely hard to address significant financial challenges. Faced with rising costs, lower public funding, and a reduction in our international on-campus student recruitment, set against an external environment fraught with political, economic, and social tensions, we took swift and decisive action to secure a sustainable financial position.

Our Financial Recovery Plan has enabled us to make savings and efficiencies as well as generate new income across the full spectrum of our activities. Our progress has been significant and we reduced an initial projected deficit of £12.5M to £8.5M for 2023/24 and made in-year savings for 2024/25 of £18.5M. We were also able to meet our new conditions of borrowing. The engagement of our staff and student representatives on the Financial Recovery Group has been instrumental in ensuring we maintained, and will continue to maintain, our focus on delivering our key priority themes of quality of research and education, new revenue and new ways of working which will underpin our continuing financial recovery in the years ahead. Ensuring our upward trajectory in revenue growth is vital in view of the funding context for UK higher education which looks set to remain adverse for the foreseeable future. Therefore, we will continue to be bold, innovative and creative in our exploration of opportunities in transnational and online education, research and commercialisation.

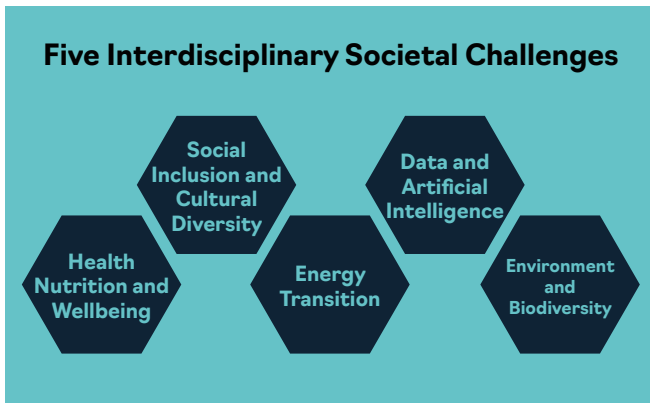
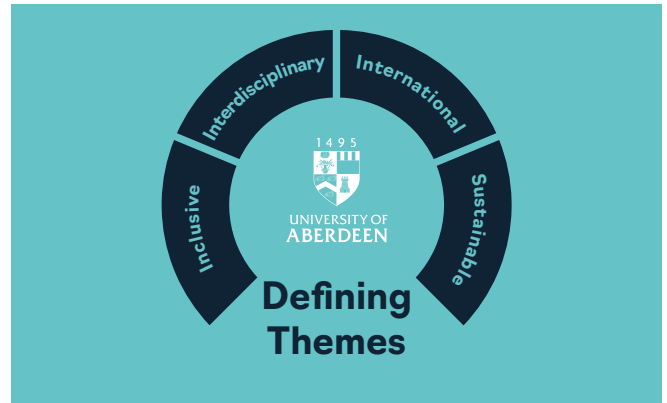
We are an integral part of the community in which we are based and recognise our responsibilities in ensuring we act in a sustainable manner for the benefit of future generations. The embedding of the United Nations' Sustainable Development Goals (SDGs) in our activities and the development of our Net Zero Strategy highlight our role and commitments in this area. These efforts have been deservedly recognised over the past year, with the University being placed amongst the Top 50 in two global sustainability rankings (QS Sustainability and THE Impact).

Despite the challenges we have faced, the University community can be proud of our collective efforts throughout 2023/24 to achieve our Aberdeen 2040 strategic objectives. We remain committed to fulfilling our foundational purpose of being open to all and dedicated to the pursuit of truth in the service of others. Furthermore we have successfully maintained the quality of our education and research ensuring that it continues to be inclusive, interdisciplinary, international, and sustainable. We have all played a part in our successes over the past year – and I look forward to us continuing our institutional journey together in 2024/25.

ABERDEEN 2040

OPERATIONAL PLAN 2023/24

The academic year 2023/24 was the fourth year since the launch of Aberdeen 2040, the University's 20-year strategy. The strategy is built around the University's foundational purpose from 1495: "Open to all, and dedicated to the pursuit of truth in the service of others." The key ambitions of Aberdeen 2040 are expressed through:



The following sections give an overview of our performance in AY 2023/24 against the commitments made in Aberdeen 2040, compared to the previous year.

The full Aberdeen 2040 Strategy can be viewed at www.abdn.ac.uk/2040

Key Performance Indicator (KPI) rating key – Likelihood of achieving target by end of AY 2024/25:

- Highly likely
- Likely
- Feasible
- Unlikely
- Highly unlikely
- Year-on-year comparison not yet possible

ABERDEEN 2040

COMMITMENTS AND UPDATE ON PROGRESS



1

Student satisfaction

Our Education

2025 target: We will achieve an overall student satisfaction of 88% in the National Student Survey (NSS), ranking top 25 in the UK

NSS 2024:
84.3% and ranking 15th in the UK



NSS 2023: 83.7% and 10th in the UK

This metric shows the aggregated mean average of the positive responses across the 25 questions that are asked of all institutions across the UK, excluding the Student Union Question.

2

Degree awarding gap

2025 target: The gap in student achievement between White, and Black, Asian and Minority Ethnic student groups for good honours degree awards will be no higher than 5% (HESA)

2022/23: 7.2%



2021/22: 4.1%

Our Research

1

Research income

2025 target: Annual research income will increase to £65m

2023/24: £56.9m

2022/23: £56.4m

2

Research students

2025 target: A postgraduate research population of 975 students (FPE) or more (HESA)

2022/23: 877 FPE



2021/22: 975 FPE

As HESA no longer makes it mandatory for HEIs to return an FTE (full-time equivalent) value for postgraduate research students, the University has adjusted this KPI to report FPE (Full Person Equivalent). As a result, the 2025 target has been adjusted.



Our Regional Engagement



1 Commercial income

2025 target: : Total commercial income from contract research, consultancy, facilities & services, and CPD will total £24m

2023/24: £23.9m

2022/23: £24.9m



2 Staff spin-outs

2025 target: : Five new companies/spin-outs will be created per year involving staff

2023/24: 1 spin-out

2022/23: 0 spin-outs



3 Student start-ups

2025 target: 30 new companies will be created by students per year

2023/24: 12 start-ups

2022/23: 15 start-ups



STRATEGIC THEMES

Inclusive



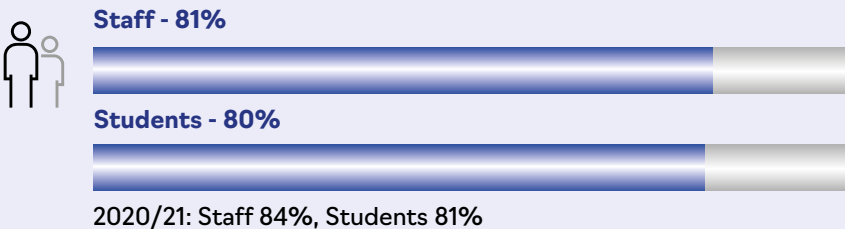
We welcome and support students, staff and partners from all backgrounds, organisations and communities. We value diversity.

1 Wellbeing, health and safety

2025 target: 90% of staff and students agree that the University cares about staff and student wellbeing (biennial Staff and Student Surveys)

The Staff Survey is only carried out biennially and there are therefore no results available for 2023/24. Staff and Student Surveys will be carried out in November 2024.

Previous result in 2022/23



2

Widening access



2025 target: 10% of our full-time first-degree entrants will come from the 20% most deprived backgrounds



2023/24: 7.2% (provisional)

2022/23: 7.0%

The limitations of the SIMD (Scottish Index of Multiple Deprivation) metric, currently used in Scottish HE to measure fair access, are well known, particularly in rural areas. The University is committed to widening access to higher education and is taking all possible steps to increase participation from the most deprived areas as defined by SIMD, while at the same time working with sector stakeholders to develop alternative measures that more accurately capture and address socio-economic inequality in the North-East of Scotland.

3

National and international research collaboration



2025 target: 70% of our research awards will be with non-university partners



2023/24: 68%

2022/23: 70%



4

Equality, diversity and inclusion



2025 target: The University will have achieved a Race Equality Charter Bronze Award, all Schools will have applied for Athena Swan Silver Award, the University will have been awarded a Stonewall Workplace Equality Index (WEI) Bronze Award and ranked a Top 100 employer, and will have been awarded a University of Sanctuary status.

2023/24:

Race Equality Charter:

Bronze Award achieved in May 2024

2022/23: Member status, Bronze application progressing

Athena Swan:

4 Schools with Silver Award

2022/23: 4 Schools with Silver Award

Stonewall:

Currently paused with the intention to submit an application in AY 2024/25.

2022/23: Activity paused

University of Sanctuary:

Activity paused

2022/23: Application process remains paused



5

Pay gap



2025 target: A median gender pay gap of 17% or lower (Scottish Government Gender Pay Gap Guidance)



2023: 18%

2022: 16%





Interdisciplinary

We innovate in education and research by generating, sharing and applying new kinds of knowledge. We learn together.

6

Interdisciplinary learning



2025 target: 85% of staff and students are satisfied with opportunities for exchange of ideas across intellectual areas and organisational structures (Staff and Student Surveys)

The Staff Survey is only carried out biennially and there are therefore no results available for 2023/24. Staff and Student Surveys will be carried out in November 2024.

Previous result in 2022/23:



Staff: 72%



UG/PGT Students: 73%



PGR Students: 79%



7

Interdisciplinary and innovative challenge-led education



2025 target: An average top 25 ranking across all relevant questions in the National Student Survey (NSS) relating to whether our courses are intellectually stimulating, challenging, and whether they offer opportunities to bring information from other topics, and to apply the learning.

NSS 2024: 18th in the UK

NSS 2023: 16th in the UK

NSS methodology changed in 2023 and direct comparisons can therefore not be made with previous years.

8

Interdisciplinary community interactions



2025 target: 40% of research outputs are with university author/co-author assigned to more than one broad research area (Web of Science)

2023: 41.2%



2022: 38.5%

9

Partnerships that deliver imaginative solutions to societal and industrial challenges

Interdisciplinary ctd.

2025 target: Ranking top 40 globally and top 10 in the UK (Times Higher Education (THE) Impact Rankings)

THE Impact Ranking 2024

48th in the World
10th in the UK



2022: 70th in the World and 18th in the UK.

10

Digital and physical infrastructure

2025 target: 80% of staff and students agree that the University's virtual and physical spaces enable interdisciplinary exchange and innovation (Staff and Student Surveys)

The Staff Survey is only carried out biennially and there are therefore no results available for 2023/24. Staff and Student Surveys will be carried out in November 2024.

Previous result in 2022/23:

Staff: 68%



Students: 70%



11

International education

International

We connect with others, and extend our networks and partnerships around the world. We think across borders.

2025 target: 25% of our total student population will be international

2023/24: 29.5%



2022/23: 29.2%

2025 target: We will surpass our sector benchmark for diversification of the student population (the proportion of our student population from outwith the three largest international source markets)

2022/23: University of Aberdeen 46.7% (FPE)
UK benchmark: 39.8%



2021/22: University of Aberdeen: 50% (FTE)
UK benchmark: 42.6%



HESA no longer publishes full-time equivalent (FTE) values for postgraduate research students and only publishes full-person equivalent (FPE) data. The latest position (2022/23 has therefore been calculated using FPE values across all levels of study. As most international students undertake full-time studies there is very little difference between FTE and FPE values, but direct comparison between 2021/22 and 2022/23 should be avoided.



International ctd.

12

Global employment

2025 target: Top 25 rank in the UK for the proportion of graduates who entered graduate level employment or further study within 15 months of completing their studies (Times & Sunday Times Good University Guide)

2024:

28th in the UK (82.2%)

2023: 47th in the UK (81.1%)



13

International research partnerships

2025 target: 70% of research outputs will be published with international co-authors, with the University ranking top 60 in the world and top 10 in the UK (CWTS Leiden Rankings)

2024: 71.5% with international co-authors

100th in the World

10th in the UK

2023: 71% with international co-authors, 91st in the World and 11th in the UK



14

International student experience

2025 target: 5% of our students will undertake international study abroad

2024: 1%

2023: 1.66%



15

A caring environment

2025 target: 90% of staff and students agree that our campuses and processes create a caring environment that is alert to cultural differences (Staff and Student Surveys)

The Staff Survey is only carried out biennially and there are therefore no results available for 2023/24. Staff and Student Surveys will be carried out in November 2024.

Previous result in 2022/23:

Staff: 84%

Students: 82%



Sustainable

We understand and nurture our environment, and take care of our resources, including our people and our finances. We work responsibly.



16

Sustainable living



2025 target: 40% reduction in Scope 3 business travel emissions from 2018/19 baseline

2023/24: 35% reduction from baseline



2018/19: 4,166 tCO₂e (baseline)
2023/24: 2,711 tCO₂

17

Protecting the environment



2025 target: 60% of students agree that they receive appropriate education on environmental sustainability (NSS)

NSS 2024: 56.6%



NSS 2023: 58.3%

18

Climate research

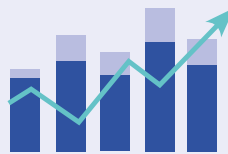


2025 target: At least 400 research outputs will address climate change and biodiversity linked to the United Nations' SDGs (SDGs 7, 11, 12, 13, 14 and 15)

2023: 649 outputs



2022: 691 outputs



19

Achieving Net Zero before 2040



2025 target: 25% reduction in combined Scope 1 & 2 carbon emissions from 2019/20 baseline

2023/24: 28% reduction from baseline



2019/20 : 17,744 tCO₂e (10,085 Scope 1 + 7,659 Scope 2) (baseline)
2023/24: 12,807 tCO₂e (8,760 Scope 1 + 4,057 Scope 2)

20

Financial sustainability






Sustainable ctd.

2025 target: We will meet or exceed revenue growth and operating surplus performance of our benchmark group
2023/24: 1.5% reduction on last year (underlying deficit £8.5m)
 2022/23: 2.8% growth on last year (underlying surplus £0.4m)

League Tables

Reputation

2025 target: We will consistently achieve a top 25 ranking in the UK in each of the following five league tables: Times & Sunday Times Good University Guide, Complete University Guide, Guardian University Guide, QS World University Rankings, and Times Higher Education World University Rankings (THE)

	Year of issue		
	2024	2023	2022
	12th	12th	13th
	15th	19th	19th
	=26th	=26th	25th
	30th	29th	27th
	41st	35th	37th



Sustainability Report

In the context of the significant headwinds facing the higher education sector, 2023/24 has seen encouraging and positive progress across a wide range of sustainability issues. Strong league table performance, the development of a comprehensive Net Zero strategy, and sector recognition of the work we are doing to enhance our emissions reporting are just some of the highlights from a busy year.

The Sustainable Development Goals (SDGs) serve as a focus for our sustainability endeavours and our annual SDG Reports (see *Image 1*) continue to showcase stories from all corners of the University. In aggregate, these reports are a compelling showcase of how our academic, operational and community endeavours support the SDGs, and the breadth of content is testament to an increased awareness and willingness to embrace the SDGs in their work from all colleagues.

The sector's two main sustainability rankings saw the University consolidate the strong performance of 2023, with excellent results in both the 2024 Times Higher Education (THE) Impact and QS Sustainability rankings. Key rankings included:

- **=48th globally in THE Impact (up from 70th) and 10th in the UK**
- **=37th globally in QS Sustainability (up from 64th) and 15th in the UK**

The Impact ranking was based on SDG 17 "Partnership for the Goals" (=75th), SDG 16 "Peace, Justice and Strong Institutions" (67th), SDG 12 "Responsible Consumption & Production" (56th), and SDG 10 "Reduced Inequalities" (=17th). With 1,963 institutions now ranked, this is our most successful showing in this scheme to date (see *Figure 1*). The inclusion of a sustainability component in the main QS World University Ranking further reinforces the mainstreaming of sustainability as a critical strand in how institutions are compared internationally.

In emissions reporting terms, we have again embraced the trend of recent years by expanding and enhancing our approach. This year's data will, for the first time, include emissions from refrigerant gases, student commuting, and hotel stays, as we continue to make every effort to report comprehensively across all sources and Scopes of emissions.

Our 2023/24 Public Bodies Climate Change Duty (PBCCD) Report shows positive trends across all three emissions Scopes and while the addition of new categories is likely to see a slight rise in total emissions recorded, like-for-like emissions are again down on last year. After two winters with significant energy supply and security concerns, as well as price instability, reductions in energy-related Scope 1 and 2 emissions reflect a concerted energy management effort to optimise the heating and lighting of buildings. Scope 3 emissions (i.e. indirect emissions linked to issues like travel and procurement) proved more variable, with student relocation emissions down but procurement emissions up despite reduced spend across all budgets in 2023/24.

We have also received welcome recognition for two emissions reporting projects. Our Student Relocation Tool has been embedded as a sector 'standard' for calculating emissions linked to student travel, while our Sustainability



Image 1: Cover of 2022/23 SDG Report

Image 2: HESPA Innovation Award – Rose Lyne & Estrid Jonsson

Image 3: Cover of Net Zero Strategy

Dashboard (see *Figure 3*) is a publicly available repository for all our emissions data and has generated interest from the sector, notably in Scotland where there is a duty to report emissions publicly. Both initiatives have shown sector leadership, with both showcased at sector

OVERALL

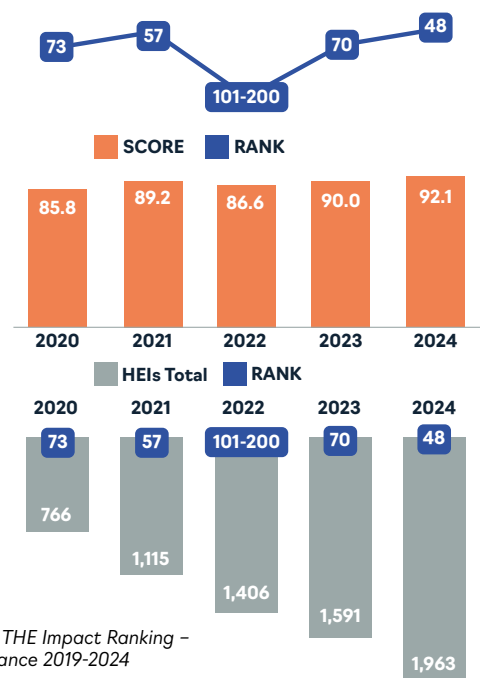


Figure 1: THE Impact Ranking – Performance 2019-2024

events and recognised in national awards. The tool won a Higher Education Strategic Planners Association (HESPA) Innovation Award (see Image 2) and has been shortlisted for an Outstanding Contribution to Environmental Leadership award by Times Higher, while both it and the dashboard are nominated in the 2024 Green Gown Awards.

A significant operational milestone this year has been the development of our first substantive Net Zero Strategy (see Image 3). Due to be finalised by the end of 2024, this comprehensive document will serve as the basis for a long-term approach to emissions reduction. While the challenges of net-zero are considerable, not least funding the scale of infrastructure and other campus improvements required to get there, the strategy sets out a series of decarbonisation pathways and establishes clear targets and a robust reporting baseline that will frame our journey. The work done in developing this framework will also ensure that we comply with an expectation from the Scottish Funding Council that institutions outline their approach to net zero by the end of 2024.

A critical part of the whole institutional approach to sustainability is finding ways to engage and empower our communities, encouraging them to embrace sustainability as part of their work and study. 2023/24 has seen numerous efforts to enable participation in sustainability initiatives.

These have included:

- Engaging with lab technicians following our green labs Climate and Sustainability Assembly (CSA) and joining the widely recognised Laboratory Efficiency Assessment Framework (LEAF);
- Developing a comprehensive campus Biodiversity Policy and trialling alternative grounds management methods to support biodiversity across our campuses;
- Developing a reporting framework to encourage our Schools and Professional Services to identify local sustainability actions in response to an internal audit recommendation.

We have also worked to enhance the development of sustainability literacy skills, as well as embracing the wider SDG agenda through various curriculum and co-curriculum initiatives:

- Developing an in-house e-learning module for staff that aims to give all colleagues a grounding in key sustainability concepts and ideas for practical local actions;
- Finalising a new set of graduate attributes (MySkills) that, alongside career and workplace readiness, place sustainability, inclusion and global citizenship at the heart of the personal development we encourage in our students;
- Participation in the National Energy Skills Accelerator, a partnership including North-East Scotland College, Aberdeen and Robert Gordon universities, that showcases regional expertise in the energy transition (SDG 7);
- Promotion of a unique CPD course on female genital mutilation (SDG 5) that is now available on a permanent rolling basis;

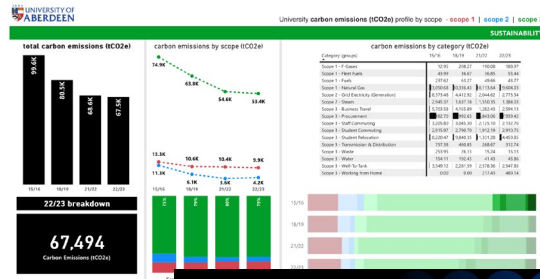


Figure 3: Screenshot from the Sustainability Dashboard

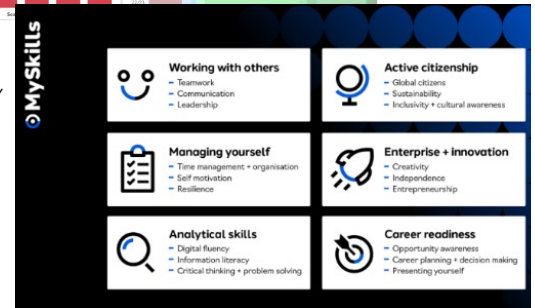


Figure 4: New graduate attributes shared as MySkills

- Publication of the University's landmark report on the Legacies of Slavery has, among other issues, focussed our discussion on decolonising our education and shone a light on the status and provenance of our historic collections (SDG 4 and SDG 10).

Equalities issues have also been to the fore, with the award of a Bronze 'Race Equality Charter' for our work on racial equality issues, and the 'EmilyTest GBV Charter' in recognition of our work on prevention, intervention and support around the issue of gender-based violence; the latter named in honour of our former student Emily Drouet who took her own life after a sustained campaign of abuse from another student.

Our research portfolio continues to embrace a wide range of SDGs, with highlights including:

- Securing £600,000 of industry sponsorship to support the regional energy transition (SDG 7);
- Funding of £718,000 to research the impact of the transition on coastal communities (SDG 11);
- Public health breakthroughs in areas like the detection of motor neurone disease, and the use of AI to detect breast cancer or to reduce waiting times for joint replacement patients (SDG 3).

And in 2024/25 we will take the steps necessary to sign-up to the Concordat for Environmental Sustainability in Research and Innovation Practice.

Looking forward to the year ahead and continuing our sustainability journey, we will make further progress on a wide range of sustainability challenges, with focus areas to include:

- Exploring the issue of emissions offsetting and working towards a formal policy;
- Encouraging laboratory managers to embrace the LEAF accreditation scheme;
- Establishing how best to assess the sustainability literacy of our students;
- Embedding our Net Zero Strategy and informing decisions around funding and prioritisation.

Education

Our Aberdeen 2040 strategy sets out our commitment to provide a world-class student experience alongside a world-leading curriculum that prepares all students, whatever their background or personal characteristics, to succeed and transform the world around us now and in the future.

Employability is a key element of our education strategy and a key priority area for us, and we were delighted to launch our 2040 Graduate Attributed and Skills framework (MySkills). This work was led by our Dean for Employability and Entrepreneurship, Professor John Barrow. Our MySkills framework allows students to assess, record, reflect on, and build their employability skills during their time at university.

The MySkills framework is split into six skill groups:

- Working with others
- Managing yourself
- Analytics skills
- Active citizenship
- Enterprise and Innovation
- Career readiness

To ensure our graduates are equipped for the future, digital skills development is an area of focus for us. To support this, we have developed a Digital Skills Toolkit for our students, including generative AI (GenAI). We have focussed our efforts on understanding the impact of GenAI on student learning as well as how the workplace is likely to evolve as a result of this technology. This work has been led by our Dean for Educational Innovation, Professor Kirsty Kiezebrink along with Dr Sarah Preston in our Centre for Academic Development who also received £51k from the Carnegie Trust for research into GenAI in education work packages.

In addition to this, we are proud of our career mentoring programme that links our students with University of Aberdeen alumni and friends who share their professional experience and expertise. We are immensely grateful to all of our career mentors who give up their valuable time to support our students.

Our student experience is at the heart of everything we do at the University of Aberdeen and we were delighted to see this reflected in the 2024 National Student Survey results where we were ranked 2nd in Scotland for overall student satisfaction with our score rising to 85.5%. We also ranked 3rd

overall in the devolved nations (Scotland, Wales and Northern Ireland) and 15th in UK. It was particularly pleasing to see that the University ranked incredibly well for a number of metrics, including 1st in the UK for opportunities for feedback and 3rd for learning resources. Moreover, we ranked 1st in the UK for Earth Sciences, History of Art Architecture and Design, Human Geography, and Linguistics. We also ranked 1st in Scotland for 20 further subjects from Anthropology to Theology and Religious Studies. Each and every person in the University contributed to this fantastic outcome and our commitment to our students is clear. Work to continue to enhance our student experience will continue under the leadership of our Dean for Student Support and Experience, Professor Jason Bohan.

The University welcomed almost 200 people to its 15th Annual Academic Symposium held on 25 April 2024. The event was funded by Enhancement Theme funds from QAA Scotland and focused on Embracing Diversity: Supporting Inclusive Learning Communities. This event was led by our Dean for Quality Assurance and Enhancement, Professor Steve Tucker who has also led our contribution to the consultation on the Scottish Tertiary Quality Enhancement Framework (TQEF). We are also delighted that the University was awarded its first Race Equality Charter Bronze award in recognition of its commitment to advancing race equality, the third Scottish institution to achieve the award. Our Aberdeen 2040 strategic focus on being inclusive clearly sets out that we welcome and support students, staff and partners for all backgrounds, organisations and communities.

We continue to be driven by our commitment to inclusive education whereby all of our students are welcomed into our Aberdeen family and are fully supported to achieve their personal and professional ambitions.

**Professor Jo-Anne Murray,
Vice-Principal (Education)**



Research

Our Aberdeen 2040 strategy sets out that our education and research environment will be dynamic and greater than the sum of its parts.

Having joined the University as Vice Principal of Research in August 2023, it is clear to see the benefits of this commitment. My predecessor Professor Marion Campbell, together with Dr Liz Rattray and her colleagues across Research and Innovation (R&I), built a successful platform enabling a smooth transition from which we are now reaping the rewards.

Our research plays an important role in addressing the global challenges we face; the global transition to a cleaner energy future, pioneering preventative healthcare for all, harnessing cultural diversity for a more equitable world, protecting the environment and biodiversity, or driving innovation forward through Data and AI.

The importance of this contribution has been reflected in the number of large grant successes. Notable successes include an eight year £2.3M Wellcome Trust Discovery Award to Professor Anne Donaldson (SMMSN) to investigate the control of DNA replication; £1.4M BBSRC award to a team from the Schools of Biological Sciences, Natural and Computing Sciences and Medicine, Medical Sciences and Nutrition led by Dr Gareth Norton to improve the sustainability of rice production, £847K NERC award to a team from the Schools of Geosciences and Social Sciences led by Dr Anshuman Bhardwaj to develop an analytical framework for glacial hazards, and a £259K British Academy International interdisciplinary Research Project award to Dr Isabelle Gapp, School of History, Divinity, Philosophy and Art History for a visually-orientated study of sea ice change in the Canadian arctic.

In addition to our large grant successes that reflect the importance of working together we also had a great year for externally funded fellowships. These included a £1.3M UKRI Future Leaders Fellowship (Dr Ieuan Seymour, School of Natural and Computing Sciences) to develop novel materials for sustainable solid state battery technologies, a £1.2M ERC Starter Grant (awarded to Dr Tom Hiscock, SMMSN, to develop complex mathematical models of embryo and tissue development, and to the School of Divinity, History and Art History, a £335K British Academy International Fellowship (Dr Marcel Garbos) on Federalist alternatives in Eastern Europe 1880-1960, and a £200K AHRC Research Development and Engagement Fellowship (Dr Armand Van Ommen) to study spirituality at the intersection of autism and black ethnic minorities.

Demonstrating the value of our research to the world around us is central to everything we do, and we have taken important steps to advance plans on culture, impact, and outputs. These will be invaluable in ensuring we receive external recognition for the exceptional research that we do and ensuring we represent ourselves as strongly as possible in the upcoming REF2029 exercise.

We are delighted to have appointed new Research Deans in Impact and Engagement (Michelle Mcleod, LLMVC), Knowledge and Understanding (Nir Oren, NCS), and People, Culture and Environment (Ben Tatler, Psychology), together with Dean for Postgraduate Research (Stuart Piertney, Biological Sciences). They will play a key role in promoting the development of impactful research and its progression into impact case studies for submission into REF2029 and beyond, in supporting the University community in maximising the quality and reach of research outputs, and in developing, implementing, and evaluating initiatives designed to enhance the way we support a positive research culture for all, as well as supporting the sustainability of the University. An early example of this was the first two rounds of the Institutional Research Leave Scheme focussing on outputs and impact.

Our research output and impact may be greater than the sum of its parts, but the success of the research system depends on the people working within it. We are fostering a research environment that welcomes difference and supports constructive debate and challenge.

Our University community has demonstrated the impact of a collaborative approach to support our many research successes over the year. My thanks to our academic colleagues, to the R&I team and our professional service teams, with a special thanks to Marlis Barraclough.

**Professor Nick Forsyth,
Vice-Principal (Research)**





Statement of Corporate Governance and Internal Control

The University of Aberdeen (the University) is committed to upholding the standards of corporate governance relevant to the higher education sector and the specific needs of the institution.

This statement describes the manner in which the University has applied the principles set out in the 2023 Scottish Code of Good Higher Education Governance (the Code).

In the opinion of the University Court (Court), the University complied with the principles and provisions of the 2023 Scottish Code of Good Higher Education Governance throughout the year.

Constitution, Governance and Regulation

The University was established by Papal Bull on 10 February 1495 and is one of the four Scottish Ancients. As a consequence, the University's governing instruments established or overseen by external bodies include that Papal Bull, legislative Acts and statutory instruments (primarily the Universities (Scotland) Acts 1858 – 1966 and the Higher Education Governance (Scotland) Act 2016) and by the Ordinances, made under these Acts. In addition, internal administrative arrangements covering governance can be introduced, altered and revoked by using the mechanisms provided via the power of resolutions.

The Universities (Scotland) Acts define the powers of the Court, the Senate and the General Council, each of which has clear functions and responsibilities within the governance and management of the University's business. Furthermore, the University is an exempt charity by virtue of the Charities and Trustee Investment (Scotland) Act 2005 and is registered with the Office of the Scottish Charity Regulator (registration number SC013683). The charitable aims of the University as registered with the regulator are the advancement of:

- education,
- health,
- citizenship or community development, and
- the arts, heritage, culture or science.

The Court of the University of Aberdeen is a body corporate with perpetual succession and a common seal. The University derives its status, powers and framework of governance from the legislation, ordinances and resolutions of Court, mentioned above.

Court is the governing body of the University and is responsible for its mission and strategic direction, administrative arrangements, financial health, wellbeing of staff and students and, in association with the Senate, for establishing and maintaining high standards of academic conduct and probity.

Court is charged with the administration and management of the revenue and property of the University and has the power to review any decision of the Senate on appeal. It is responsible for the University's system of internal control and for reviewing its effectiveness.

The Senate, is convened by the Principal and consists of ex officio and elected academic staff and students, is responsible for the regulation and superintendence of teaching and student discipline and for promoting research.

The General Council was established by the Universities (Scotland) Act 1858 with the right to consider questions affecting the well-being and prosperity of the University. Members of General Council are comprised of: all graduates; during their tenure – Chancellor, members of Court, Professors, Readers and Lecturers who have been in post for more than 1 year; former Professors and members of Court; and former Readers and Lecturers in post at the University before retirement.

The University is regulated principally by the Scottish Funding Council under a Financial Memorandum. The University complies with conditions of the grant set out in the funding arrangements. The Scottish Funding Council has developed Outcome Agreements with each university to ensure that institutions are working in support of the Scottish Government's priorities (on 6 June 2024, the Scottish Funding Council (SFC) published its new Outcomes Framework and Assurance Model. The new Framework articulates a revised approach to assurance and accountability that will replace a number of current arrangements, including the Outcome Agreement (OA), from Academic Year (AY) 2024/25). The University is required to report regularly on its performance against agreed outcomes, to ensure that it continues to meet conditions of grant.

Additionally, to promote transparency and accountability, there is an annual stakeholder meeting for Court to provide an update on performance and other activities to engage with key stakeholders. These can include General Council meetings and regular networking and formal engagement with interested parties within the sector and beyond.

The Governing Body, its Statement of Primary Responsibilities

In accordance with the provisions of the Universities (Scotland) Acts and the Higher Education Governance (Scotland) Act, the composition of Court is established by ordinance. It consists of 25 members and has a majority of independent members as recommended by the Code.

In 2023-24, Court held five meetings under its regular schedule, plus four additional meetings.

The membership of Court for the period in question was as follows along with their attendance at Court in [square] brackets:

Rector

Ms M Chukwuma-Ezike [7/9]

Principal

Professor G Boyne [9/9]

Senior Governor

Ms J Ashworth [7/7]

Assessors: Senatus

Professor J Schaper [7/9]

Dr D Skåtun [8/9]

Professor N Vargesson [9/9]

Dr I Xypolia [9/9]

Elected Academic Staff Member

Dr M Mills (to 31.10.23) [2/2]

Dr Martin Barker (from 01.11.23) [7/7]

Elected Professional Services Staff Member

Mr N Edwards (to 31.10.23) [1/2]

Mr Iain Grant (from 01.11.23) [7/7]

Academic Trade Union Nominee

Dr H Martin [9/9]

Non-Academic Trade Union Nominee

Mr O Cox [8/9]

President, Students' Association

Ms V Mabonso Nzolo (to 30.06.24) [9/9]

Ms Christina Schmid (from 01.07.24) [0/0]

Second Students' Association NomineeMs S Shraddha S. Viswanathan
(to 30.06.24) [8/9]

Ms Ainhoa Burgos (from 01.07.24) [0/0]

Independent MembersDr C Backwell (Senior Independent
Member to 22.09.23) [1/1]

Ms E Bentley [8/9]

Ms L Birse (from 31.08.24) [0/0]

Mr Ewan Cameron (from 01.08.24) [0/0]

Mr L Halliday (from 01.10.23 and
Senior Independent Member from
29.02.24) [7/7]

Ms Fiona Islam (from 01.08.24) [0/0]

Mr I Mackay (to 31.07.24) [6/9]

Mr G McRae [9/9]

Ms L Menzies (to 31.07.24) [6/9]

Ms C Miller [8/9]

Ms A Minto OBE (to 31.07.24) [9/9]

Mr L Moretti (from 19.11.24) [0/0]

Mr I Percival (to 30.09.23) [1/2]

Ms C Pope-Williams (to 31.08.24) [8/9]

Ms A Rankin (from 01.10.23) [6/7]

Mr O Thoresen [8/9]

Dr R Traynham (to 30.09.24) [7/9]

Ms A Ufere (from 01.10.23) [7/7]

Governor Apprentice

As part of its commitment to creating a diverse and inclusive governing body, Court has appointed a Governor Apprentice with the key aim of shortening the timeline to creating a truly representative Court by creating a talent pipeline of individuals from underrepresented backgrounds who have the requisite experience to join a board.

The Governor Apprentice role provides the opportunity to shadow the University Court for one year, offering the skills, insights, and networks that will build a solid foundation for future board roles. The individual will leave understanding the role of the non-executive charity trustee.

The role-holder is not a member of Court, but is included here for completeness. The Governor Apprentice for the period covered by this statement was Ms Susan Bodie, whose term of appointment ran until 31.08.24. From 01.09.24, Ms Shona Russell commenced appointment as the incoming Governor Apprentice for 2024-25.

Court has adopted a Statement of Primary Responsibilities and routinely undertakes a wide-ranging review of its effectiveness against sector guidance and the details of the most recent of these are provided further below.

The University maintains details of interests for members of Court, lay members of Court committees and of members of senior management team, and these can be found on the University's website. Under its approach to recording and maintaining conflicts of interests, loyalty, gifts and hospitality, individuals are routinely asked to declare any interest in relation to a Court and committee agenda item and any significant change to the external commitments of the Senior Governor would be reported to the Governance and Nominations Committee.

Members of Court are invited and encouraged at regular intervals to participate in governor development events organised both internally and through relevant organisations. Records of governor attendance at these events are held to inform annual review discussions, committee compositions and other governance and development activity to support the effectiveness of the University. In addition, Court undertakes an annual skills audit of its members and the lay members of its Committees. The resultant mapping of its core skills and competencies is used to inform Committee compositions, the membership of specific working or sub-groups and forward recruitment activities. In line with the 2023 Code, this is made publicly available via the Court's webpages.

Respective roles of the Rector and Senior Governor

The Rector is elected by the student body for a period of three years and under statute is the ordinary president of Court.

The Senior Governor is elected by staff and students (as required by the Higher Education Governance (Scotland) Act 2016) and is recognised as being responsible for the leadership and effectiveness of Court. As such, the Senior Governor performs the wider role of Chair in all respects bar those assigned by statute to the Rector.

Accordingly, the Senior Governor represents the University at meetings of the Committee of Scottish Chairs and internally acts as the leading Governor in matters of governance. The role of the Senior Governor in this regard is recognised by the Scottish Funding Council, and Court has adopted a Rector's Protocol to define the respective roles of Rector and Senior Governor.

The Governance and Nominations Committee reviewed that protocol in June 2024 and it is deemed to continue to be appropriate as we approach the requirement for the election of a new Rector, following the demittance of the existing roleholder, Ms Martina Chukwuma-Ezike at the end of their term on 31.12.24.

Senior Officers

The Principal is an ex officio member of Court, convenor of Senate (under delegations from Court) and has responsibility for implementing the decisions of Court, for initiating discussion and consultation on the University's future development and for ensuring that appropriate proposals are presented to the governing body.

As the designated Accountable Officer of the University, under the terms of the Financial Memorandum between the University and the Scottish Funding Council, the Principal is responsible for ensuring that Court takes into consideration the terms of the Financial Memorandum in all its decision making.

The University Secretary is the principal officer of Court and is responsible for ensuring that Court acts within its powers and follows proper procedures. The University Secretary provides independent advice to Court members about their individual and collective responsibilities and how they should be discharged.

At the time of writing, the current University Secretary, Ms Tracey Slaven, will be leaving the University on 1 November 2024. A full and competitive recruitment exercise will be conducted by Court in order to fill the vacancy that arises as a result.

Review of Governance

Following an independent externally-facilitated review of governance in 2021/22 by Advance HE, the University concluded its implementation of the key recommendations arising from the review during 2023-24. The outcomes were verified by a comprehensive internal audit review, carried out by the University's auditors, PwC in March 2024. The

findings demonstrated that the University's Governance Implementation Plan had gone significantly beyond the actions required in the Advance HE report, representing substantial progress above the base requirements to ensure that effective governance practices are in place. Detailed reporting was provided to the Scottish Funding Council, who acknowledged their satisfaction with the final stages of implementation and the subsequent closure of the Governance Implementation Plan.

Under the University's three-tiered approach to the review of skills, effectiveness and governance maturity, Court and its Committees have also conducted formal annual effectiveness reviews in addition to regular facilitated discussion and self-reflection sessions throughout the year.

Corporate Strategy

Court is responsible for approving the University's strategic direction and monitoring progress on the delivery of its objectives. The Financial Review on page 38 reports on the University's financial performance during 2023/24, and progress against strategic targets is provided on page 6-14.

Key committees of Court

Court meets at least five times each year and retains overall responsibility for the University. However, in accordance with good governance practices, a formal schedule of functions delegated to committees and individuals has been written and approved. This informs the terms of reference of many governance and executive committees.

The work of Court is supported by five committees:

- Audit and Risk Committee
- Commercialisation Committee
- Finance and Resourcing Committee
- Governance and Nominations Committee
- Remuneration Committee

Further details of the work of these committees can be found on the University website, with an overview below.

All of the Court's committees are formally constituted with terms of reference available on the University website and all are chaired by independent members of Court.

The main remit of each of those committees and their membership during 2023/24 are detailed below.

Audit and Risk Committee

The remit of the committee covers:

- internal and external audit - oversight of the work of internal and external audit, advising Court on the appointment, qualifications, expertise, independence and performance of those teams
- financial control - review the effectiveness of the University's systems for financial control and respond to any alleged financial irregularities or fraud

- financial reporting - review the content of the Annual Report and Accounts and advise Court on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for stakeholders to assess the University's performance, strategy and sustainability
- risk management - advise Court on the adequacy of the approach to risk management (including academic risk) and maintain oversight of the strategic risks facing the University
- governance and compliance - ensure compliance with the mandatory requirements in SFC's Financial Memorandum and Public Interest Disclosure arrangements.

In 2023-24, the Audit and Risk Committee held five meetings under its regular schedule, plus two additional meetings.

The composition of the committee from 1 August 2023 to 31 July 2024 was as follows, with attendance in [square] brackets:

Chair

Ms E Bentley [7/7]

Independent members of Court

Mr L Halliday [7/7]

Ms C Miller (to 01.09.24) [7/7]

Vacancy (from 01.09.24)

External independent lay members

Mr S Porteous (from 01.04.24) [1/1]

Mr K Reynard [7/7]

Ms R Yaktal (to 01.03.24) [2/4]

Commercialisation Committee

The Commercialisation Committee has oversight of the development and resource requirements of the University's strategic approach to commercialisation of research and innovation.

In 2023-24, the Commercialisation Committee held three meetings under its regular schedule.

The composition of the committee from 1 August 2023 to 31 July 2024 was as follows, with attendance in [square] brackets:

Chair

Mr O Thoresen (to 01.09.24) [1/3]

Mr G McRae (from 01.09.24) [3/3]
as member not Chair

Rector

Ms M Chukwuma-Ezike [1/3]

Senior Governor

Ms J Ashworth [3/3]

Staff elected

Dr M Barker (to 17.10.24) [2/3]

Mr I Grant (from 17.10.24) [0/0]

Elected Senators

Professor J Schaper [2/3]

Independent Members of Court

Mr G McRae [3/3]

Vacancy (from 01.09.24)

External co-opted member

Mr G Steel (from 01.04.24) [1/1]

Mr G Yule (from 01.04.24) [1/1]

Finance and Resourcing Committee

The main remit of the committee is to oversee the University's financial affairs (including planning and resourcing, financial management and investments) with a focus on ensuring that University's approach to revenue, resource and capital planning mature in support of Aberdeen 2040.

In 2023-24, the Finance and Resourcing Committee held five meetings under its regular schedule, plus two additional meetings.

The composition of the committee from 1 August 2023 to 31 July 2024 was as follows, with attendance in [square] brackets:

Chair

Ms A Minto (to 31.07.24) [7/7]

Ms C Miller (from 01.09.24) [0/0]

Senior Governor

Ms J Ashworth [7/7]

AUSA nominated

Ms Vanessa Mabonso Nzolo (to 30.6.24) [5/6]

Ms Christina Schmid (from 01.07.24) [0/0]

Staff elected

Mr N Edwards (to 26.09.23) [1/1]

Dr H Martin (from 27.09.23) [6/6]

Elected Senator

Dr I Xypolia (to 26.09.23) [1/1]

Professor N Vargesson (from 27.09.23) [6/6]

Independent Members of Court

Mr Ewan Cameron (from 01.09.24)	[0/0]
Ms Fiona Islam (from 01.09.24)	[0/0]
Mr G McRae	[1/1]
Ms L Menzies (to 31.07.24)	[6/7]
Dr R Traynham (to 30.09.24)	[6/7]
Ms C Pope-Williams (to 26.09.23)	[1/1]
Vacancy	

Governance and Nominations Committee

The remit of the committee is to advise Court on matters of governance and to conduct on its behalf, reviews of the University's governance. The Committee also has responsibility for considering nominations for vacancies in Court membership and vacancies in the membership of Court committees.

In 2023-24, the Governance and Nominations Committee held three meetings under its regular schedule.

The composition of the committee from 1 August 2023 to 31 July 2024 was as follows, with attendance in [square] brackets:

Chair/Senior Governor

Ms J Ashworth	[3/3]
---------------	-------

Ex officio

Professor G Boyne	[1/3]
-------------------	-------

AUSA nominated

Ms S Shraddha S. Viswanathan	[3/3]
------------------------------	-------

Staff elected

Mr I Grant (to 17.10.24)	[3/3]
Dr M Barker (from 17.10.24)	[0/0]

Elected Senator

Dr I Xypolia	[3/3]
--------------	-------

Independent Members of Court

Ms A Rankin	[3/3]
Ms A Ufere	[2/3]

External co-opted member

Mr S Batho (from 01.04.24)	[1/1]
Mr J Dunphy (from 01.04.24)	[1/1]

Remuneration Committee

The Remuneration Committee reviewed its terms of reference at its first meeting of the academic year, in line with good practice and agreed to fundamentally revise the terms of reference to better detail the work of the Committee.

In short, the Remuneration Committee is responsible to the University Court for discharging its delegated functions with respect to the remuneration, emoluments and terms and conditions of employment of the Principal, senior post holders and posts designated as 'Senior Managers' and those on grade 9 and above of the pay spine, while they remain staff in post on this point. This includes, but is not limited to:

- advising Court on matters relating to the pay and conditions of senior staff
- benchmarking the University's salaries and other emoluments and conditions of service against the sector to inform its policies and decisions
- determining and review the salaries, terms and conditions (and where appropriate, severance payments) of the Senior Governor, Principal, Vice-Principals, the University Secretary, Professorial and Grade 9 officers and such other staff
- ensuring that the performance of the Principal is assessed on an annual basis
- overseeing severance arrangements for senior staff and ensure that account is taken of the SFC Guidance on Severance Arrangements in respect of Senior Staff.

The committee determines the remuneration and conditions of service of senior staff, including the Principal. The committee is chaired by an independent member of Court. Where appropriate, the committee obtains further independent advice. It meets at least twice annually.

The pay policy for senior staff is agreed by the Remuneration Committee and subsequently approved by Court. This policy refers to discretionary pay outwith the contractual nationally agreed salary uplift for senior staff. Following approval, the details of the policy are issued to all senior staff including the process for application for a salary uplift.

The Remuneration Committee reviews and approves the parameters for salaries for new members of the Senior Management Team (SMT), taking into consideration national benchmark information provided by UCEA (Universities and Colleges Employers Association) and also the experience demonstrated in the application/CV of the successful candidate.

The Remuneration Committee also gives consideration to any cases presented for retention of staff where appropriate. In addition, where appropriate, and consistent with the Severance Policy, the committee will consider severance payments for senior staff.

In addition to the two scheduled meetings of the committee, it met formally a further two times to discuss applications relating to the University's Enhanced Retirement/Voluntary Severance Scheme.

The composition of the committee from 1 August 2023 to 31 July 2024 was as follows, with attendance in [square] brackets:

Chair

Mr I Mackay (to 31.07.24)	[4/4]
Ms Lesley Birse (from 31.08.24)	[0/0]

Senior Governor

Ms J Ashworth	[4/4]
---------------	-------

AUSA nominated

Ms V Mabonso Nzolo (to 30.06.24)	[4/4]
Ms Ainhoa Burgos (from 01.09.24)	[0/0]

Trade Union nominated

Mr O Cox	[2/4]
----------	-------

Elected Senator

Dr D Skåtun	[4/4]
-------------	-------

Independent Member of Court

Ms Charlotte Pope-Williams (to 31.08.24)	[3/4]
--	-------

External co-opted member

Mr Sandy Batho (from 01.04.24)	[1/1]
--------------------------------	-------

Audit, Risk Management and Internal Control

The Audit and Risk Committee has a lay membership which includes individuals with directly relevant experience. It meets a minimum of five times a year, with the University's internal and external auditors in attendance at all meetings. It makes recommendations to the Court regarding the approval of the Annual Report and Financial Statements.

The Audit and Risk Committee oversees and reports to Court its view of the effectiveness of the University's risk management arrangements, the operation of which is overseen by the Senior Management Team but with risk being a regular item on the Audit and Risk Committee agenda.

The University reports to Court and the Audit and Risk Committee on its risk management arrangements on a bi-annual basis in accordance with its Risk Management Framework. This includes consideration of all risks included in the Strategic Risk Register, with a particular focus on those which exceed their tolerance threshold. This process aligns with the internal control guidance for directors in the UK Corporate Code.

The Audit and Risk Committee considers detailed reports from the internal and external auditors, together with recommendations for the improvement

of the University's systems of internal control and risk management, alongside University management's responses and implementation plans.

The Audit and Risk Committee's role is one of high-level review of the arrangements for internal control, risk management and value for money. It has authority to investigate any matters within its terms of reference. It also receives and considers reports from the Scottish Funding Council as they affect the University's business and monitors adherence to the regulatory requirements.

While senior executives attend meetings of the Audit and Risk Committee, as necessary, they are not members of the Committee. The Committee regularly receives presentations on a key area of University business or developments in higher education policy or relevant legislation.

To support the Audit and Risk Committee, Court and the SMT in its oversight and management of risk, an executive Risk Management Committee was created during the 2022-23 reporting year. The committee's remit covers:

- the identification and evaluation of key strategic risks that threaten the University's aims are undertaken and the maintenance of a risk register
- supporting Court in its deliberation and articulation of the University's approach to risk appetite
- ensuring the risk management framework in place to manage risks is robust and effective, including identification of appropriate risk owners, and monitoring the satisfactory operation of the management strategy
- delivering satisfaction as to operational risks being actively managed, with the appropriate strategies in place and working effectively
- contributing to raising awareness generally of risk management across the University and to maintaining the profile of risk management.

The University fully supports and applies the provisions of the Scottish Funding Council's Financial Memorandum.

The University retains an external firm of internal auditors appointed at least every five years through a competitive tendering process. The University undertook such a tendering process during 2022/23 as a result of which it reappointed its previous firm of internal auditors with effect from 1 August 2023, for a period of three years, with the option to renew for two further one-year periods.

The University Court receives, on an annual basis, a report on internal audit activity, including an independent assessment of the adequacy and effectiveness of the University's systems of internal control, including risk management and financial control. For the year to 31 July 2024, the internal audit report concluded that the University's systems were generally satisfactory with some revisions required to support ongoing development.

The University is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the Nine Principles of Public Life in Scotland. In addition, the University provides guidance in relation to bribery,

corruption, fraud and anti-money laundering activities, which governing body members and members of staff at all levels are expected to observe.

The University recognises through its Policy and Procedure on Public Interest Disclosure (Whistleblowing) that the raising of legitimate concerns by staff, students, members of Court or the general public and which are in the interests of the University, its staff or students, or of the general public, is a practice which should be encouraged. The Audit and Risk Committee has a formal role in overseeing the policy and to receive reports from management on cases.

Fair Work Practices

Court, in its role as the employer oversees the employment practices of the University and therefore presents the following information, as required by legislation.

Fair Work First is the Scottish Government's flagship policy for driving high quality, inclusive, and fair work across the labour market by applying fair work criteria to grants, other funding, and contracts, where relevant to do so. The Scottish Government is encouraging employers to adopt fair work practices. The University of Aberdeen demonstrates our commitment to these principles in the following ways which are also aligned with our Aberdeen 2040 commitments:

1. Real Living Wage

The University is accredited as a Living Wage Employer, voluntarily paying staff no less per hour than the rate set by the Living Wage Foundation, and we are committed to continuing to provide this benefit.

2. Employee Voice

The University of Aberdeen values the culture of partnership working that has been established with the Campus Trade Unions and, through formal and informal channels, is committed to working positively with the Trade Unions to promote a culture of open, honest dialogue and joint working. The University has individual and collective voice channels to listen to and engage with staff. These include:

- Long established partnership working with all recognised Campus Trade Unions. The Partnership, Negotiation and Consultative Committee (PNCC) meets 4 times per year providing the formal joint consultative forum.
- Trade Unions representatives are part of formal University Committees and Working Groups and meet with Senior Management and HR regularly to ensure that staff opinions and views are heard.
- Regular staff engagement surveys are offered as well as other informal routes for engagement including regular open meetings with members of the Senior Management Team where all staff are encouraged to voice their opinions and ask questions.

- At an individual level, managers are encouraged to have regular one-to-ones.
- The University also offers an Online Reporting Tool where staff can report (with the option to do so anonymously) on any matter of concern.
- The University supports a range Equality network groups through which staff and students can seek support but also input ideas and raise issues.

3. Workforce Development

The University is committed to offering all staff the opportunity to develop personally and professionally to support individual and organisational achievement. We aspire to ensure that all staff have time at work to develop the skills they need for the work they do. A comprehensive suite of management and skills training is available to all staff as the University recognises the importance of investing in the development of all.

4. No Zero Hour Contracts

The University does not use zero hours contracts and the Reward Strategy Working Group continues to monitor the types of contracts used by the University to ensure that staff are employed on the most appropriate contract type. This includes ensuring staff on Guaranteed Minimum Hours contracts are offered fractional contracts where the number of hours to be worked are regular and consistent, thereby offering staff as much security in these roles as we can.

5. Gender Pay Gap and EDI

'Inclusive' is one of the University of Aberdeen's central strategic themes and is underpinned by five ambitious commitments in the Aberdeen 2040 strategy.

This includes a commitment to promoting fairness and equality within all parts of the workforce including taking appropriate, tangible action to close pay gaps across all protected characteristics and other proactive actions to reduce inequalities, for example:

- From 2019 we introduced regular pay gap monitoring to support monitoring the professorial gender pay gap, informing the recruitment process, supporting Athena Swan applications and considering the impact of the promotions process on our pay gap.
- Monitoring gender balance and appropriate and proportional representation of gender on promotion panels and influential committees Maintaining our commitment to Athena SWAN principles which are reflected in numerous activities and Athena SWAN awards across the University.
- Introduction of a menopause policy and toolkit in 2023.
- Working in partnership with Trade Unions to harmonise the terms & conditions which were previously differentiated based on grade and category of staff.

- Development of an Antiracism Strategy under which the actions progressed have contributed to the successful award of the Advanced HE Race Equality Charter, Bronze Award.

6. Family Friendly Policies

The University of Aberdeen is committed to supporting members of staff to help them balance the various demands of both their career and family lives. The University offers a progressive suite of family-friendly policies (with day one entitlements), going beyond statutory entitlements.

7. Opposing Fire and Rehire Practices

The University opposes, and does not engage in, 'fire and rehire' practices.

Equality Duties

'Inclusive' is one of the University of Aberdeen's central strategic themes and is underpinned by five ambitious commitments in Aberdeen 2040. Specific examples of promoting equality of delivery can be seen in the University's Public Sector Equality Duty Report 2023 - <https://www.abdn.ac.uk/staffnet/working-here/public-sector-equality-duty-13390.php>

Equality, diversity and inclusion (EDI) is overseen by a committee comprising representatives from across the protected characteristic groups as well as senior management. The University has promoted EDI extensively and the following provides a summary of examples of this work.

Over the previous year the University has achieved a Bronze Race Equality Charter award. This follows work to implement the University's Antiracism Strategy including significant analysis of our data and the development of an action plan. A particular success has been the establishment of an Antiracism Roundtable with local partners such as RGU, NeSCOL, local authorities, NHS Grampian and Grampian Regional Equality Council. The Roundtable has identified areas for partnership working, such as activities to mark Black History Month. The University is taking action to decolonise the curriculum and address the ethnicity awarding gap which is showing signs of decreasing. To ensure race equality issues are consistently raised within relevant Court discussions, the Court agreed to appoint a Court Race Champion to support and embed the University's commitment to the Antiracism Strategy.

The University has achieved an EmilyTest Charter award, recognising the work in progress to challenge, prevent and eradicate gender-based violence. Our wider work on gender equality includes the re-establishment of the Gender Equality Steering Group, which has a remit to drive cultural change on gender equality and oversee the implementation of the gender action plan. The University continues its commitment

to the Athena Swan Charter Framework, with four Schools now holding a Silver award and all Schools holding a Bronze award.

The University now has eight equality networks, including a Menopause Network, and a new Neurodiversity Network for staff and students. The networks continue to have a key role in decision-making through the Equality, Diversity and Inclusion Committee.

The University of Aberdeen is committed to attracting, growing and engaging with talented people from diverse backgrounds. The University is a certified Disability Confident Employer. Disability Confident is a government scheme designed to encourage those employers who have agreed to take a set of actions around the recruitment, retention and career development of disabled people and those with health conditions.

The University has a Disabled Staff Network Group, open to both disabled staff and those with an interest in disability issues. The group aims to provide support for disabled staff and those with an interest in disability in the workplace, to share information and consider good practice, and to provide recommendations to enhance University policy where appropriate.

The Reward Consultation and Negotiation Group took forward a programme of harmonisation of terms and conditions for staff and is continuing to take forward actions to address the Gender Pay Gap.

Going concern

The University's activities and the factors likely to affect its future development, performance and position are set out in the Financial Review. Its cash flows and liquidity are set out in more detail in the Notes to the Financial Statements.

The University Court considers that the University has adequate resources to continue in operational existence for the foreseeable future.

Conclusion

Overall, Court is of the view that it has in place a robust set of governance arrangements and procedures to fulfil its responsibilities.



Julie Ashworth

Senior Governor of the University Court

November 2024

Statement of Primary Responsibilities of Court



Court adopted a Statement of Primary Responsibilities which was in operation during 2023/24. Court's primary responsibilities are:

Strategic Direction

1. To approve the mission and strategic vision of the University, including institutional and longer-term academic and business plans, and key performance indicators, and to ensure that they are consistent with the University's charitable purpose and meet the interests of stakeholders, including students, staff, alumni, local and national communities and funding bodies.
2. To safeguard the good name and values of the University, its charitable status and purposes.

Supervisory Obligations

3. To delegate to the Principal, as chief executive, authority for the academic, corporate, financial, estate and human resource management of the University, and to establish and monitor such management functions as shall be undertaken by and under the authority of the Principal.
4. To ensure the quality of educational provision through the review of decisions of the Senate made under its statutory powers to regulate and superintend the teaching and discipline of the University and to promote research.

Corporate Responsibilities

5. To be the University's legal authority and, as such, to ensure that systems are in place for meeting the University's legal obligations, including those arising from contracts and other legal commitments made in the University's name.
6. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University, which is not within the control of the University of Aberdeen Development Trust.
7. To ensure that the University's constitution, as enacted in the Acts, Ordinances and Resolutions affecting the University 1858-1990 and subsequent legislation, is followed and that appropriate advice is available to enable this to happen.
8. To be the employing authority for all staff in the University.
9. To ensure that the University behaves ethically, responsibly and with respect for the environment and for society at large.

Controls, Accountability and Effectiveness

10. To be the principal financial and business authority of the University, to ensure that proper accounts and financial records are kept, to approve the annual budget and financial statements, to ensure adherence to the funding requirements specified by the Scottish Funding Council, and to have overall responsibility for the University's assets, property and estate and their use.
11. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment and management, so as to maintain the solvency of the University and safeguard its assets.
12. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the University against approved plans and key performance indicators, which should be benchmarked against other comparable institutions, wherever possible.
13. To ensure that arrangements are in place to promote the proper management of the health, safety and security of students, staff and others affected by the University.
14. To provide institutional leadership in equality and diversity and to ensure there are appropriate policies and procedures to support a culture in which all staff and students can thrive across the University and which meet relevant legislative and regulatory requirements.
15. To make provision, in consultation with the Senate, for the general welfare of students.
16. To ensure that procedures are in place for dealing with internal grievances, conflicts of interest and public interest disclosure.
17. To establish processes to monitor and evaluate the performance and effectiveness of the University Court and its sub-committees and to ensure that business is conducted in as open a manner as possible, in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
18. To ensure, through the appointment of co-opted lay persons, a balance of skills and experience amongst the membership of Court to meet its primary responsibilities.

Monitoring of Senior Executives

19. To appoint the Principal as chief executive, and to put in place suitable arrangements for monitoring his/her performance.
20. To appoint the Secretary to Court and to ensure that there is an appropriate separation in the lines of accountability between responsibilities to Court and managerial responsibilities within the University.

As agreed by Court 28 February 2024

Responsibility for financial matters

Court is responsible for keeping proper accounting records, which disclose, with reasonable accuracy, the financial position of the University at any time and enable it to ensure that the financial statements are prepared in accordance with the Statutes, the 2019 Statement of Recommended Practice (SORP): Accounting for Further and Higher Education and other relevant accounting standards, including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland. In addition, within the terms and conditions of a Financial Memorandum agreed between the Scottish Funding Council and the Court of the University of Aberdeen, Court, 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, total comprehensive income and expenditure and cash flows for that year.

When preparing the Group and parent University financial statements, Court is required to:

- ensure suitable accounting policies are selected and applied consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Group or the parent University, or to cease operations, or have no realistic alternative but to do so.

Court is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Court has taken reasonable steps to:

- ensure that funds from the Scottish Funding Council are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Scottish Funding Council and any other conditions which the Scottish Funding Council may from time to time prescribe;
- ensure that any other funds, from whatever source, administered by the Group or the University for specific purposes, have been properly applied to those purposes in accordance with relevant legislation and any other terms and conditions attached to them;
- 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 hence take reasonable steps to prevent and detect fraud; and
- secure the economical, efficient and effective management of the University's resources and expenditure.

The trustees are responsible for the maintenance and integrity of the financial and other information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Risk Management

**Risk
Management at
Aberdeen**

**Risk
Management
Structures**

1495



**UNIVERSITY OF
ABERDEEN**

**Risk
Management
Processes**

**Strategic
Risks and Risk
Appetite**

RISK MANAGEMENT

Risk Management Statement

The management of risk at the University falls under the Risk Management Framework, which is based on internationally recognised standards in risk management, widely accepted as best practice. The Risk Management Framework forms part of a wider institutional corporate governance structure and includes an institutional Risk Management Policy, and a detailed Risk Management Process, which prescribes methods for risk identification, monitoring, and control.

The Framework applies at University level, to Schools and Professional Services functions, and to major projects, with risk management also a key part of the University's Project Management Methodology. Under the Framework, the University also has a Strategic Risk Register (SRR) which reflects both the strategic priorities mapped out in Aberdeen 2040, and the wider strategic risks faced by the University from across the sector-wide environment. It is currently comprised of eight major risks, detailed below next to associated mitigations:

Strategic Risks at the University of Aberdeen

RISK AREA	WHAT IS THE RISK?	WHAT ARE OUR MITIGATIONS?
Financial Sustainability	The University is unable to align income with expenditure on a sustainable basis.	<ul style="list-style-type: none"> University-level Financial Sustainability Plan in place. Diversification of income streams. Enhanced focus on areas like TNE, and enterprise and innovation.
Education	The University is unable to provide a competitive education offer over the medium-to-long term.	<ul style="list-style-type: none"> Annual review of degree portfolio to assess demand and student outcomes. Focus on flexibility and personalised learning in programme design. Horizon scanning developments in digital and physical estates sector-wide to inform internal developments.
Student Experience	The University is no longer able to deliver a world class student experience in line with competitors.	<ul style="list-style-type: none"> Proactive approach to reviewing student spaces and deploying funds accordingly. Counselling Service which is proactive in monitoring and supporting student wellbeing. Working with students as partners in the co-creation of their learning.
Research	The University's is unable to remain competitive as a research-intensive institution over the medium-to-long term.	<ul style="list-style-type: none"> Annual assessment of research outputs, volume and quality. School-level application and awards targets set, focusing on high-value grants. Increase in staffing levels to support research impact generation.
Staff Experience	The University's current financial position, and the resultant mitigations, lead to prolonged periods of low staff morale.	<ul style="list-style-type: none"> Review and ensure high-quality leadership and development training. Enhance wellbeing support through roadshows and workshops. Ensure analysis and positive, proactive responses to staff survey returns.
Cyber Security	A failure, absence or compromise of IT security procedures or controls results in loss, destruction or unauthorised access or modification of data and / or significant business interruption.	<ul style="list-style-type: none"> Ongoing monitoring by Digital Security Team, including weekends if or when intelligence flags specific threats. Multi-Factor Authentication rolled out to all alumni, staff, students and contractors. Multi-layered technical controls in place, which are continually assessed and improved.
Information Governance	A failure, absence or compromise of Information Governance procedures or controls which results in breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data, or the inability to meet accountability and legal obligations.	<ul style="list-style-type: none"> Mandatory data protection training for staff, updated and re-done annually. Protection Officer in place in this area, to identify and manage risk, and to drive improvements. Installation of immutable data store to help protect data from ransomware attacks.
Environmental Sustainability	The University fails to make progress required, both internally and by external stakeholders like the Scottish Government, towards achieving its Net Zero targets.	<ul style="list-style-type: none"> Sustainability established as a key theme within the University's Aberdeen 2040 Strategy. Sustainable Development Committee in place to provide oversight and direction across the sustainability agenda. Net-zero strategy and implementation plan developed for launch in 2025. Sustainable Heating Programme Board established.

The risks identified in this table are considered to be those which pose the most significant threat to the University at the current time, at a strategic level, based both on strategic priorities, and major threats to operations. However, the SRR is a live document and risks may change; it is reviewed and updated on a rolling basis, as risks evolve, and as the University responds to changing environments, both internally and externally.

The SRR is underpinned by a University Risk Register (URR), which is broader in scope and more operational.

It is comprised of 13 risk areas, which collectively, include over 100 risks. The URR covers the full breadth of University activity across different functional boundaries, and while different areas are managed routinely at local levels, the register as a whole is monitored collectively at institutional level. This forms part of the wider monitoring and control process in place for the SRR, ensuring synergy and an interface between strategic and operational risks, with a mechanism for escalating operational risks to a strategic level, where appropriate.





Financial Review






Year Ended 31 July 2024

Scope of the Financial Statements

The Financial Statements, which have been approved by the Court, have been prepared on a consolidated basis and represent the consolidated results of the University and its subsidiary, the Rowett Research Institute Ltd. The statements comply with Financial Reporting Standard (FRS) 102 and the Statement of Account Practice (SORP) Accounting for Further and Higher Education 2019.

Summary Financial Performance

The University reports an overall surplus of £77.0m compared with a surplus of £3.2m in the prior year, the main differences being the £85.4m reversal of the Universities Superannuation Scheme (USS) provision as a result of the 2023 valuation exercise and the £6.3m cost of the enhanced retirement and voluntary severance scheme.

	Results at a Glance (£m)				
	Total Income	Total Expenditure	Other Gains (Losses)	Underlying Position	Overall Position
2023/24	261	189	5	(8.5)	77
					
Movement	(8)	(70)	2	(8.9)	65
2022/23	269	259	3	0.4	12

The Group's reported results for the year are:

	2024 £000	2023 £000
Income	261,306	268,635
Expenditure	(189,025)	(259,370)
Surplus/(deficit) before other gains and losses	72,281	9,265
Other gains/(losses)	6,884	(988)
Actuarial (loss)/gain in respect of pension schemes	(2,156)	3,832
Comprehensive income for the year	77,009	12,109

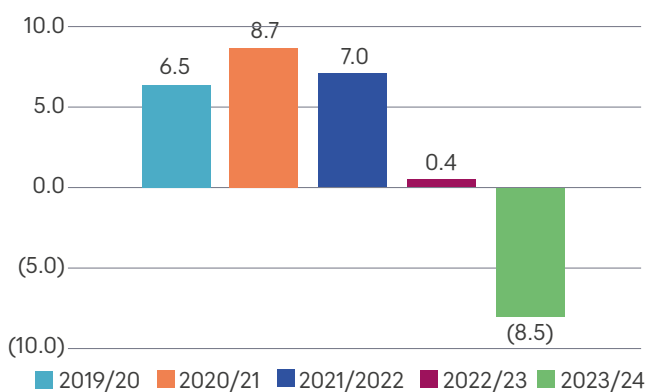
The underlying results for the year that exclude non-controllable and other individually significant items such as the movement of the value of investments and pension liabilities is a deficit of £8.5m compared with a £0.4m surplus for the prior year as follows:

	2024 £000	2023 £000
Surplus before other gains and losses	72,281	9,265
Impairment of fixed assets	990	3,939
Voluntary severance and early retirement schemes	6,310	246
Other provisions	65	(259)
Breakage gain on repayment of loans	(1,842)	-
Pension provision movements (Note 21)*	(86,314)	(12,795)
Underlying (deficit)/surplus	(8,510)	396

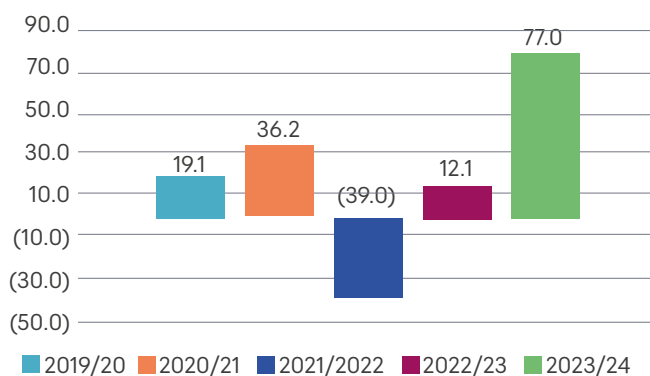
*The pension provision movement for 2024 includes a planned credit of £85.4m in respect of the results of the Universities Superannuation Scheme 2023 valuation exercise.

A Financial Recovery Plan drafted following the September 2023 student intake results and approved by Court in December 2023 projected a revised £12.5m deficit and included the enhanced retirement and voluntary severance scheme, a recruitment freeze (for all but essential posts) and careful control over all other expenditure, has been delivered to date and returned a better than forecast position. Savings of £19m were achieved in 2023/24 (£13m from staff costs and £6m from operating costs). The position was further improved by a concerted effort to recover outstanding debt, delays to our capital plan and interest rates remaining higher than forecast for a longer period, all of which led to an additional £1.0m of investment income received. Repayment of the Barclays loan facility resulted in a breakage gain of £1.8m. This has all contributed to the reported £8.5m underlying deficit.

Overall Underlying Surplus / Deficit (£m)



Overall Surplus / Deficit (£m)



Income for the year has decreased by £7.3m to £261.3m

Tuition fees have decreased by £5.6m which represents a fall of 5.7%. The movement was largely due to the significant reduction in International PGT fee income with a fall of £5.9m or 9.3% from 2022/23. This decrease is a UK sector wide issue, with inflationary pressures/cost of living increases, foreign currencies devaluations and changes to VISA regulations exacerbating the decline. Scottish fees remained consistent; EU fees fell by £0.2m (4.4%) with fees from students from the rest of the UK showing a £0.2m or 2.0% increase on 2022/23 levels.

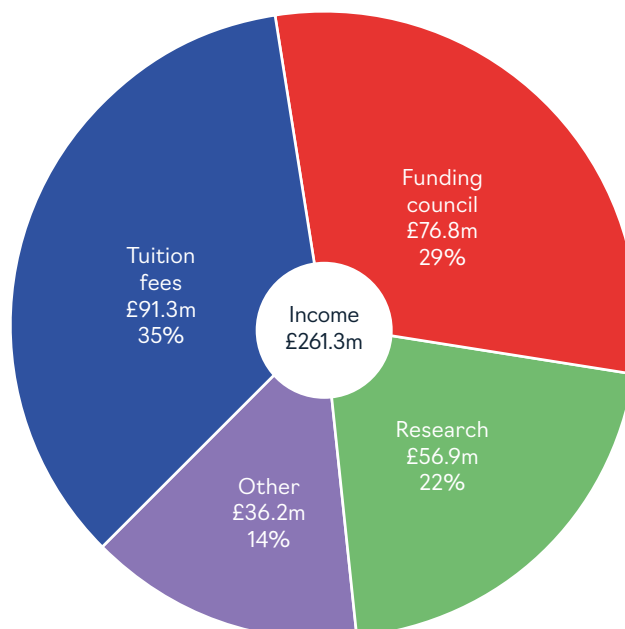
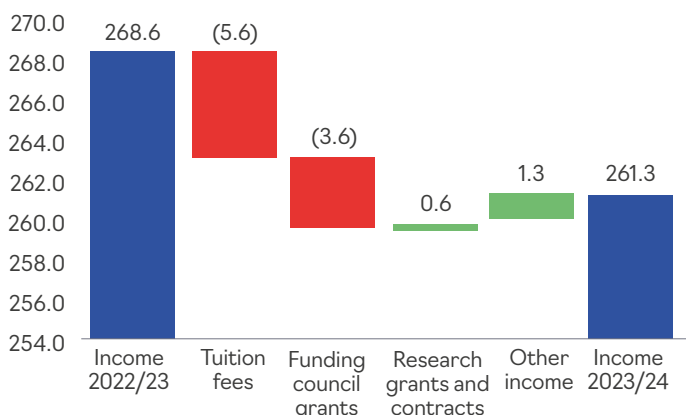
Funding Body grants have fallen by £3.6m or 4.6%, with the first full year impact of the cut in funding of £2.6m

due to REF results. Strategic grants have decreased by £0.8m (17.3%), release of deferred capital grants has reduced by £0.2m (4.8%) reflecting a cut to funding whilst teaching grants and other grants have remained stable.

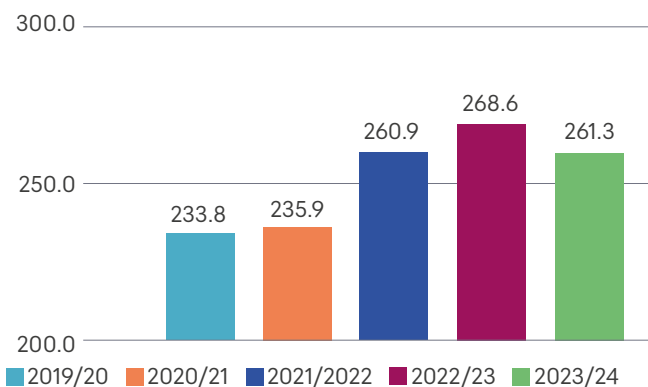
Research grants and contracts income of £56.9m represents an increase of £0.6m (1.0%) from £56.3m in the previous year. Income from research councils increased by £2.2m (18.9%) with £0.4m (4.8%) with £0.3m (37.1%) increases within overseas and non-government EU funding respectively. UK charity grants fell by £0.6m (5.8%) and EU government funding by £0.5m (25.9%).

Other income of £30.2m is £0.5m lower than the previous year (£30.7m) with reductions to consultancy services income of £1.8m, due to the end of the Crown Office and Procurator Fiscal pathology contract and release of provisions in the prior year, offset by an increase of £1.0m increase to Health Authority income and improved VAT recovery. Other income also includes a £1.8m breakage gain as a result of the repayment of the £30m loan facility. Investment income improved by £1.9m as the University was able to take advantage of the higher interest rates offered for cash deposits during the year. Income from our endowment portfolio increased by £0.3m due to increased dividend receipts.

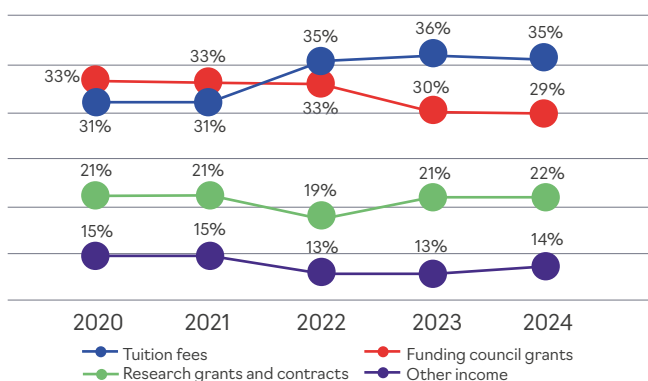
Income Year on Year Movement (£m)



Total income (£m)



Income Source Trends

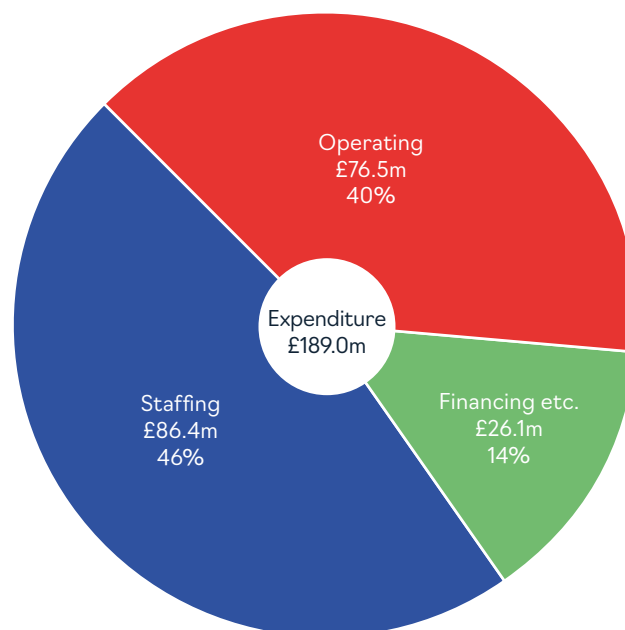


Expenditure decreased by £70.0m or 27.1% to £189.0m

Staff costs excluding pensions movements of £168.7m have increased by £1.6m (1.0%). The recruitment freeze, reduction in Universities Superannuation Scheme (USS) employer contributions part way through the year and the impact of the savings from the enhanced retirement/voluntary severance scheme have largely offset the costs of the 2023/24 pay award.

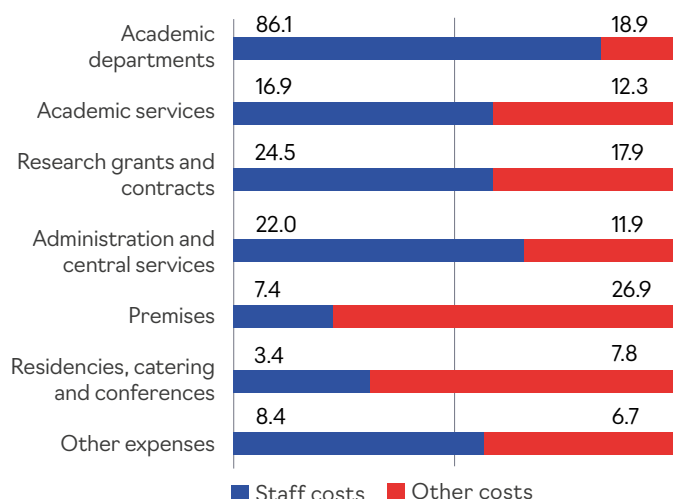
The finalisation of the Universities Superannuation Scheme (USS) 2023 valuation exercise, that demonstrated that the Scheme had returned to surplus, removed the requirement to recognise the pension liability and resulted in an £87.4m reduction to staff costs. Total staff costs, including pension movements and the £6.3m cost of the enhanced retirement and voluntary severance scheme, are £64.5m lower than in financial year 2022/23.

Other expenditure of £76.5m decreased by £5.1m (6.3%), with a £1.0m reduction in overseas agents fees reflecting the fall in overseas student numbers and a £0.3m reduction in insurance costs due to a renegotiated contract with an alternative provided. Depreciation charges increased by £0.7m and interest charges have decreased by £1.4m to £7.0m, with the majority of the reduction due to the non-cash interest charge for pension liabilities.



Analysis of Expenditure (£m)

(excluding pension adjustment & VS/ER costs)



Other Gains and Losses

Our non-current investment portfolio reported an overall increase of £7.2m compared with £0.3m for the prior year reflecting strong growth in our endowment investment portfolio. As a result, endowment reserves increased from £58.6m to £65.3m during the year.

The sale of land by the Rowett Research Institute Ltd returned a gain of £1.1m but the continued downturn in the Aberdeen housing market has resulted in a further £0.7m (2023: £0.7m) reduction in the value of our investment properties.

Actuarial Gain/(Loss) in Respect of Pension Schemes

The overall loss is £2.2m with £1.7m attributable to the University of Aberdeen Superannuation and Life Assurance Scheme (UASLAS). Overall, the UASLAS scheme deficit increased by £1.3m to £13.7m and the Strathclyde Pension Fund (SPF) moved from a surplus of £8.9m to £9.0m during the year.

Treasury Management, Cash Flow & Covenant Requirements

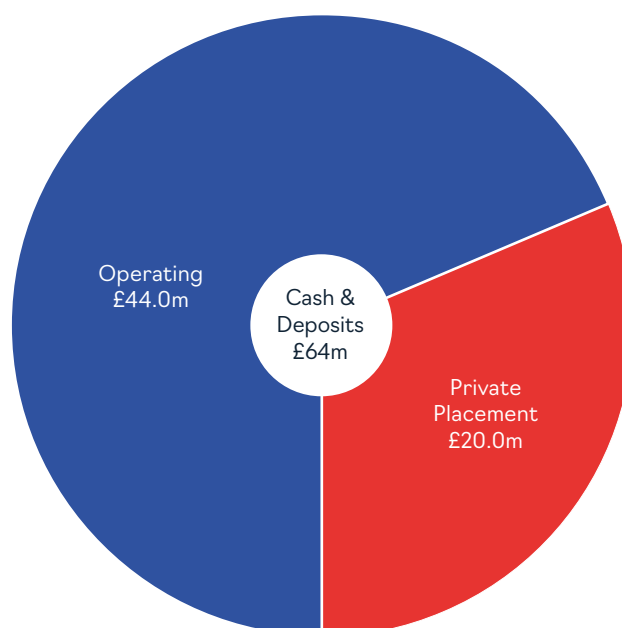
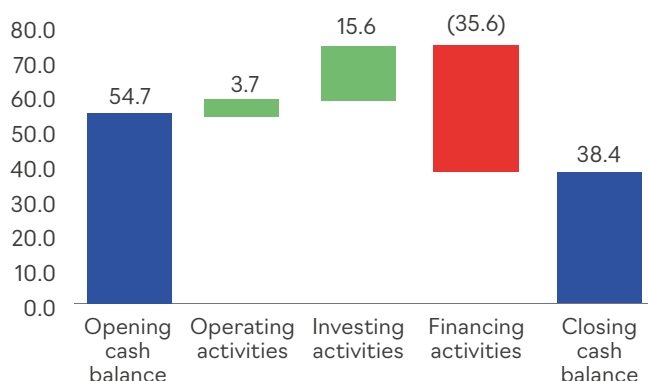
Borrowing

As part of the refinancing and covenant renegotiation package that concluded in April 2024, the outstanding £30m balance of the Barclays loan facility was repaid and replaced with a £30m revolving credit facility (RCF). As of 31 July 2024, the RCF had not been drawn down. Total unsecured loans amount to £62.8m, comprising £60.0m of borrowing from a private placement and £2.8m from the Scottish Funding Council's Financial Transactions programme. The private placement funds were secured at a blended interest rate of 3.12% in May 2019 and are repayable in three equal instalments in 2044, 2049 and 2054. The University also has a finance lease for a hall of residence, with £22.0m outstanding for the agreement that expires in 2037.

Cash Flow

Operating activities generated a cash inflow of £3.7m (2023: £9.6m). After taking account of capital expenditure, investment income, borrowing costs, and the repayment of the £30m loan facility, the overall Group cash outflow was £16.3m, compared with an inflow of £3.1m in the previous year.

Cash Flows 2023/24 (£m)



Financial Covenants

Following the refinancing and covenant renegotiation exercise that concluded during the year, the University now has three external covenant tests with which it must comply. The renegotiation has resulted in the debt service cover test being suspended until 31 July 2026, when it returns with a lower threshold for that year. Of the current financial covenants, the first is earnings before interest, depreciation, tax and amortisation (EBITDA) covenant which replaces the debt service cover test for two years. The University is required to achieve an EBITDA figure of at least £1.0m for financial year 2023/24. The second measure is a gearing test, where debt, including the pension guarantee, must not exceed 40% of net assets. The renegotiation introduced a minimum cash holding requirement for the life of the RCF, measured on a quarterly basis, with the University required to hold cash, short-term investments and the undrawn portion of the RCF to a value of at least £50m. All covenants revert to the original tests once the RCF expires.

For financial year 2023/24, the University complied with all measures returning an EBITDA figure of £10.5m, a gearing percentage of 21.6% and has met the minimum cash requirements for both reporting quarters since its introduction in April 2024. The University has also met the Universities Superannuation Scheme covenant tests meaning that no discussions or additional measures are required.

Financial Covenant Tests

	Result	Outcome
Gearing <50%	21.6%	✓
EBITDA >£1m	£10.5m	✓
Minimum Cash >£50m (inc undrawn RCF)	£94m	✓

Net Debt	£m
Borrowing & Leases	
Private Placement	60.0
SFC Financial Transactions	2.8
Finance Leases	22.6
Total Debt	85.4
Cash & Deposits	
Term Deposits	25.6
Cash	38.4
	64.0
Net Debt	21.4

Payment of Creditors

The University has no single policy for payment of creditors but abides by arrangements negotiated with its suppliers. No interest was paid in the year under the Late Payments of Commercial Debts (Interest) Act.

Non-Current Assets

The value of non-current assets remain stable during the year. The value of fixed assets fell by £6.4m with capital additions of £14.8m, offset by depreciation charges of £19.1m, the reduction in value of investment properties (£0.7m) and disposal of assets. In addition, there was a £1.0m impairment charge due to discovery of reinforced autoclaved aerated concrete (RAAC) in the Polwarth Medical School building. In year disposals comprised of a land sale by the Rowett Research Institute Ltd and the sale of the Bettyhill Field Centre in the North of Scotland, which was deemed as surplus to requirements. Investments account for £80.5m of non-current assets and have reported a £6.5m increase due to strong market performances of most holdings during the year.

Net Current Assets

As at 31 July 2024, the Group reported net current assets of £21.0m compared with £59.5m as at 31 July 2023. Cash holdings have decreased by £16.3m to £38.4m and investments (term deposits) reducing by £21.4m to £25.6m as a result of the £30m loan repayment in April 2024. Debtors have decreased by £4.5m with the decrease in trade debtors, reflecting the reduction in tuition fee income and a concerted effort to reduce the level of outstanding debt. The

provision for bad debts has been reduced by £0.4m to £4.8m to reflect the fall in debt whilst recognising the continued financial hardship being faced by many during these difficult times.

Overall creditors falling due within one year of £64.4m are £4.1m lower than the previous year. As with many research-intensive universities, prepaid income for research grants of £16.0m (2023: £18.1m) is a main element of our creditors falling due within one year. Prepaid tuition fee income of £4.3m is £3.5m lower than the prior year reflecting the reduction to overseas student numbers. Creditors falling due within one year also include capital grants to be released of £4.1m and an accrual in respect of untaken annual leave of £6.0m.

Creditors: Amounts Falling Due After More Than One Year

Long term creditors of £172.5m have reduced by £31.3m due to the repayment of the Barclays loan facility. Creditors comprise of borrowing of £62.5m, finance lease obligations of £22.0m and £88.0m of deferred income in respect of capital grants from government organisations.

Provisions & Pension Schemes

Pension provisions have fallen by £84.2m to £6.3m during the year. The movement is largely as a result of the planned reversal of the £85.4m provision for the Universities Superannuation Scheme (USS) following the conclusion of the 2023 valuation exercise. As USS has returned to a surplus position the University is no longer required to recognise a provision for the discounted fair value of deficit recovery contributions.

The University recognises a liability of £13.7m for the University of Aberdeen Superannuation and Life Assurance Scheme (UASLAS) compared with £12.2m in the prior year. The Strathclyde Pension Fund (SPF) reports a surplus of £9.0m compared with £8.9m in the previous year. A further £1.6m (2023: £1.7m) has been provided against the payment of enhanced pensions to a number of former Northern College employees.

The UASLAS accounting deficit of £13.7m reported as at 31 July 2023 is higher than the £9.6m deficit from the 2022 valuation exercise. As well as the timing difference between the valuations regulations require that the accounting deficit be calculated on a more prudent basis than that of the triennial valuation exercise. The University has provided a pension guarantee facility for £9.6m to match the 2022 valuation deficit which remained unchanged from the 2019 exercise. Although the deficit remained constant, the University agreed to a marginal increase to the employer contribution rate and to extend the period of the pension guarantee from January 2029 to July 2033.

Finance Outlook and Going Concern Update

As a result of the delivery to date of the Financial Recovery Plan, implemented due to the significant reduction in international student fees, the University returned an underlying deficit of £8.5m. This compares to the £3.9m underlying deficit approved by Court in June 2023 which was subsequently revised to £12.5m as part of the Financial Recovery Plan.

As forecast, total income was £21.1m lower than the original budget, with £20.1m of the shortfall reported against tuition fees. Actions as a result of the Financial Recovery Plan produced savings of £13m and £6m against staff and operating costs respectively, with £6.3m cash used to fund the enhanced retirement and voluntary severance scheme. The savings achieved are approximately £3.2m more than forecast in the Financial Recovery Plan, with an additional £0.7m of income, excluding the breakage gain, largely from increased investment income due to higher than forecast cash balances and continued high interest rates. The underlying position is £4.0m better than the underlying deficit of £12.5m as projected in the Financial Recovery Plan.

In June 2024, Court approved an underlying deficit of £6.7m for financial year 2024/25, with an aspiration to return to break even the following year, but with provision for an underlying deficit to a maximum of £3.0m. To meet the 2024/25 target deficit, the financial recovery plan provided for £19.8m of savings of which £18.5m have been identified to date. Additional financial pressures were recognised in the period between approval of the Financial Recovery Plan and the June budget. These amounted to £4.4m and were due to the confirmation of SFC funding levels and a recognition of a further reduction to overseas student applications throughout the sector. As result, to achieve the £6.7m deficit, additional income or savings amounting to £6.0m will be required. The planned £6.7m deficit met all financial covenant requirements and resulted in approximately £10.0m of headroom for the EBITDA covenant test which is anticipated to be the most challenging test for financial year 2024/25.

The September 2024 student intake is line with the forecast, which has also been revised to take account of the final enhanced retirement/voluntary severance position and the savings identified to date. Management have determined that, after accounting for plausible downsides, all covenants for 2024/25 continue to be met with sufficient headroom. In addition, management have identified a range of mitigating items that could provide additional savings should further unforeseen circumstance arise that threaten covenant compliance. As such, Court is satisfied that all financial covenants will be met for 2024/25.

The covenants in place for financial year 2025/26 mostly revert to the those in place prior to the February 2024 refinancing package, albeit that the additional minimum cash holding test remains in place for the duration of the RCF. The EBITDA test is replaced with a debt service covenant test that requires adjusted operating cash inflow to be at least 100% of debt service costs. The budget approved by Court in June 2024 projected the debt service cover test would be met with headroom of £10.8m. Forecasts also indicated that the gearing and minimum cash holding requirements would be met for financial year 2025/26.

Compliance for 2025/26 is more challenging, largely due to the timeframe and less certainty within forecasts, with the debt service cover test under the greatest pressure. Management have prepared a range of forecasts with sensitivities and scenarios focusing on progress against savings targets to date. This analysis indicates that the position remains largely in line with the expectations set within the June 2024 budget.

However, Management subsequently identified a range of mitigating actions within the University's control that can be used to varying extents as the financial situation dictates, for example a complete freeze on recruitment, a move to approval of only essential operating costs and a further ER/VS scheme. As specified by the lenders, and to ensure compliance with the revised covenants, £10m cash has been set aside in the 2024/25 cash plan to fund such a scheme. However, as things currently stand, there are no plans for this further ER/VS scheme as management's strategic goal is to increase revenue and maintain cost control at 2023/24 levels. The existence of these levers demonstrates that additional savings could be achieved if required to ensure covenants will be met with sufficient headroom.

Financial sustainability is crucial to allow the University to thrive and remain teaching and research intensive, and it must be achieved in a way that continues to constrain costs at current levels, generates extra revenue in financial year 2025/26 and beyond, protects our existing strengths, and enhances performance in strategic areas in need of improvement.

Our priorities for the forthcoming year as approved by Court in June is to focus on:

- continued improvement of our educational and research offerings and our professional services;
- identifying new sources of revenue, including transnational and on-line education, increased commercialisation and fundraising;
- ways of working within the University to match best practice and reduce workload pressures.



A photograph of three men sitting on a wooden bench in a lush garden. The man in the foreground is wearing a red t-shirt and dark trousers, looking towards the other two men. The man in the middle is wearing a light blue shirt and glasses, and the man in the background is wearing a white shirt. They appear to be in a relaxed conversation. The garden is filled with green plants, trees, and a trellis structure in the background. The scene is brightly lit, suggesting a sunny day. The image is partially overlaid with a dark purple/magenta color block at the top and bottom.

Independent auditor's report to the Court of the University of Aberdeen

Report on the Audit of Financial Statements

INDEPENDENT AUDITOR'S REPORT TO THE UNIVERSITY COURT OF THE UNIVERSITY OF ABERDEEN

Opinion

We have audited the financial statements of the University of Aberdeen ('the institution') and its subsidiaries ('the group') for the year ended 31 July 2024 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Balance Sheet and the Consolidated Cash Flow Statement and the related notes 1 to 34, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the group's and of the institution's affairs as at 31 July 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law);
- ▶ have been prepared in accordance with the Charities and Trustee Investment (Scotland) act 2005 and regulation 14 of the Charities Accounts (Scotland) Regulations 2006; and
- ▶ have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the group 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 Court'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 institution's ability to continue as a going concern for a period to 31 July 2026.

Our responsibilities and the responsibilities of the University Court 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 Court is responsible for the other information contained in 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 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 Scottish Funding Council's Financial (SFC) Memorandum

In accordance with the SFC's Financial Memorandum (effective 1 December 2014), we will also report to the University Court whether, in all material respects:

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) regulations 2006 requires us to report to you if, in our opinion:

- ▶ adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the financial statements are not in agreement with the accounting records and returns; or
- ▶ the information given in the financial statements is inconsistent in any material respect with the annual report; or
- ▶ we have not received all the information and explanations we require for our audit.

Responsibilities of the University Court

As explained more fully in the Statement of Primary Responsibilities of Court set out on page 32, the University Court is responsible for the preparation of the financial statements and for being satisfied that give a true and fair view, and for such internal control as the University Court determines 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 Court is responsible for assessing the group's and the 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 management either intends to liquidate the group or the institution or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent institution and determined that the most significant are FRS 102 and Statement of Recommended Practice for Further and Higher Education


- We understood how the group and parent institution is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of the Court minutes and papers provided to the Audit and Risk Committee at a Group level, as well as consideration of the results of our audit procedures to either corroborate or provide contrary evidence which was then followed up.
- We have considered the culture of honesty and ethical behaviour of management and whether a strong emphasis is placed on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.
- We assessed the susceptibility of the group and parent institution's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage financial performance. Where this risk was considered higher, we performed audit procedures to address the risk of fraud and management override.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management, those charged with governance and those responsible for legal and compliance procedures; journal entry testing with a focus on journals indicating large or unusual transactions based on our understanding of the business; review of Court minutes to identify any non-compliance with laws and regulations, and inspection of any correspondence between the University and Scottish Funding Council.

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 University Court, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the University Court those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University Court as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:



9579FF3D61BD4E4...

Ernst & Young LLP, Statutory Auditor

London

26 November 2024

A photograph of a modern building facade with a complex geometric design of white and grey panels and slats. The image is overlaid with a semi-transparent orange grid pattern. The text 'Financial Statements' is positioned in the upper right quadrant.

Financial Statements

Statement of Comprehensive Income and Expenditure

Year ended 31 July 2024

	Note	2024		2023	
		Consolidated £000	University £000	Consolidated £000	University £000
Income					
Tuition fees and educational contracts	1	91,300	91,300	96,851	96,851
Funding body grants	2	76,758	76,758	80,421	80,421
Research grants and contracts	3	56,875	56,875	56,329	56,329
Other income	4	30,200	30,180	30,748	30,870
Endowment and investment income	5	5,497	5,070	3,586	3,444
Endowments and donations	6	676	3,801	700	700
Total income		261,306	263,984	268,635	268,615
Expenditure					
Staff costs – excluding movements in pension provisions	7	168,740	168,740	167,122	167,122
Enhanced retirement/voluntary severance costs	7	6,310	6,310	-	-
Movement in pension provisions	7	(88,645)	(88,645)	(16,179)	(16,179)
Total staff costs	7	86,405	86,405	150,943	150,943
Other operating expenses	8	76,495	76,413	81,612	81,567
Depreciation	9	19,137	19,137	18,445	18,445
Interest and other finance costs	10	6,988	6,988	8,370	8,370
Total expenditure	11	189,025	188,943	259,370	259,325
Surplus/(deficit) before other gains/(losses) and share of operating surplus/(deficit) of joint venture		72,281	75,041	9,265	9,290
Gain/(Loss) on disposal of fixed assets	12	1,054	(183)	(9)	(9)
Unrealised (loss) on revaluation of investment properties	13	(728)	(683)	(717)	(635)
Gain on non-current investments	14	7,172	6,558	312	4
Share of operational deficit in joint venture	15	(614)	-	(574)	-
Surplus before tax		79,165	80,733	8,277	8,650
Taxation		-	-	-	-
Surplus after tax		79,165	80,733	8,277	8,650
Actuarial (loss)/gain in respect of pension schemes - University	21a	(2,156)	(2,156)	3,832	3,832
Actuarial gain in respect of pension schemes - joint venture	15	-	-	-	-
Total comprehensive income for the year		77,009	78,577	12,109	12,482
Total comprehensive income/(deficit) for the year					
Endowment comprehensive income/(deficit) for the year		6,679	6,679	560	560
Unrestricted comprehensive income/(deficit) for the year		70,330	71,898	11,549	11,922
Total comprehensive income for the year		77,009	78,577	12,109	12,482

Consolidated and University Statement of Changes in Reserves

Year ended 31 July 2024

Consolidated	Income and expenditure account		Revaluation reserve	Total £000
	Endowment	Unrestricted		
	£000	£000	£000	
Balance at 1 August 2022	58,081	124,864	168,580	351,525
Income from the income and expenditure statement	560	7,717	-	8,277
Other comprehensive income	-	3,832	-	3,832
Transfers between income and expenditure reserves	-	3,179	(3,179)	-
Total comprehensive income/(deficit) for the year	560	14,728	(3,179)	12,109
Balance at 1 August 2023	58,641	139,592	165,401	363,634
Income from the income and expenditure statement	6,679	72,486	-	79,165
Other comprehensive (deficit)	-	(2,156)	-	(2,156)
Transfers between income and expenditure reserves	-	4,212	(4,212)	-
Total comprehensive income/(deficit) for the year	6,679	74,542	(4,212)	77,009
Balance at 31 July 2024	65,320	214,134	161,189	440,643

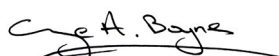
University	Income and expenditure account		Revaluation reserve	Total £000
	Endowment	Unrestricted		
	£000	£000	£000	
Balance at 1 August 2022	58,081	114,317	167,566	339,964
Income from the income and expenditure statement	560	8,090	-	8,650
Other comprehensive income	-	3,832	-	3,832
Transfers between revaluation and income and expenditure reserves	-	3,179	(3,179)	-
Total comprehensive income/(deficit) for the year	560	15,101	(3,179)	12,482
Balance at 1 August 2023	58,641	129,418	164,387	352,446
Income from the income and expenditure statement	6,679	74,054	-	80,733
Other comprehensive (deficit)	-	(2,156)	-	(2,156)
Transfers between revaluation and income and expenditure reserves	-	4,189	(4,189)	-
Total comprehensive income/(deficit) for the year	6,679	76,087	(4,189)	78,577
Balance at 31 July 2024	65,320	205,505	160,198	431,023

Statement of Financial Position

As at 31 July 2024

	Note	2024		2023	
		Consolidated £000	University £000	Consolidated £000	University £000
Non-current assets					
Tangible assets	13	489,830	488,839	492,988	491,974
Heritage assets	13	277	277	277	277
Intangible assets	13	3,302	3,302	3,225	3,225
Investment properties	13	24,930	23,334	28,237	26,596
Non-current investments	14	66,264	80,517	59,141	74,008
Investment in joint venture	15	14,253	-	14,867	-
		598,856	598,269	598,735	596,080
Current assets					
Stock	16	270	270	275	275
Trade and other receivables	17	21,153	21,153	26,045	26,045
Investments	18	25,597	25,597	47,000	47,000
Cash and cash equivalents	23	38,406	31,362	54,671	46,106
		85,426	78,382	127,991	119,426
Less: Creditors: amounts falling due within one year	19	64,395	64,384	68,470	68,438
Net current assets		21,031	13,998	59,521	50,988
Total assets less current liabilities		619,887	610,267	658,256	647,068
Less: Creditors: amounts falling due after more than one year	20	172,544	172,544	203,829	203,829
Provisions					
Pension provisions	21a	6,335	6,335	90,493	90,493
Other provisions	21b	365	365	300	300
		6,700	6,700	90,793	90,793
Total net assets		440,643	431,023	363,634	352,446
Restricted reserves					
Income and expenditure reserve – endowment reserve	22	65,320	65,320	58,641	58,641
Unrestricted reserves					
Income and expenditure reserve		214,134	205,505	139,592	129,418
Revaluation reserve		161,189	160,198	165,401	164,387
Total funds		440,643	431,023	363,634	352,446

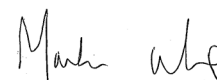
The Accounts set out on pages 51 to 90 were approved by the University Court on 19 November 2024 and signed on its behalf by:



Professor George Boyne MA, MLitt, PhD, AcSS
Principal and Vice-Chancellor



Ms Julie Ashworth
Senior Governor of the University Court



Mr Mark White
Chief Finance Officer

Consolidated Cash Flow Statement

Year ended 31 July 2024

	Note	2024 £000	2023 £000
Cash flow from operating activities			
Surplus for the year		79,165	8,277
Adjustments for non-cash items			
Depreciation	9 & 13	19,137	18,445
(Gain) on investments	14	(7,172)	(312)
Impairment of fixed assets	13	990	3,939
Decrease in stock		5	26
Decrease/(increase) in debtors		4,892	(1,870)
(Decrease) in creditors and other provisions		(1,536)	(3,637)
(Decrease) in pension provisions (excluding actuarial gain or loss)	21a & 29	(86,314)	(12,795)
Unrealised deficit on revaluation of investment properties	13	728	717
Share of operating deficit in joint venture	15	614	574
Adjustments for investing or financing activities			
Investment income	5	(5,497)	(3,586)
Interest payable	10	4,907	4,996
Endowment income	6 & 22	(197)	(94)
Capital grants received/released during the year		(4,940)	(5,114)
(Gain)/loss on sale of fixed assets	12	(1,054)	9
Net cash inflow from operating activities		3,728	9,575
Cash flows from investing activities			
Proceeds from sales of fixed assets		1,357	-
Capital grant receipts		3,986	3,500
Disposal of non-current investments	14	2,470	258
Withdrawal from deposits		21,403	10,000
Investment income	5	5,497	3,586
Payments made to acquire fixed assets		(16,659)	(17,812)
New non-current asset investments	14	(2,421)	(207)
		15,633	(675)
Cash flows from financing activities			
Interest paid	10	(2,620)	(2,875)
Interest element of finance lease and service concession payments	10	(2,287)	(2,121)
Endowment cash received	6 & 22	197	94
Repayments of amounts borrowed		(30,286)	(286)
New unsecured loans and leases	20	-	-
Capital element of finance lease and service concession payments		(630)	(641)
		(35,626)	(5,829)
(Decrease)/increase in cash and cash equivalents in the year		(16,265)	3,071
Cash and cash equivalents at beginning of the year	23	54,671	51,600
Cash and cash equivalents at end of the year	23	38,406	54,671
Movement in cash and cash equivalents		(16,265)	3,071



Statement of Principal Accounting Policies and Estimation Techniques

Basis of preparation

a. Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019) and in accordance with Financial Reporting Standard (FRS) 102. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS102. Charities registered with the Office of the Scottish Charity Regulator ("OSCR") fall within the statutory remit of the Charities and Trustee Investment (Scotland) Act 2005 and, in respect of financial statements preparation, the Charities Accounts (Scotland) Regulations 2006 (as amended). Regulation 14 of the 2006 Regulations allows universities to prepare their financial statements in accordance with the SORP.

The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of investment properties, endowment investments and equity investments).

The functional currency of the group is sterling and all amounts have been presented to the nearest thousand pounds.

b. Going concern

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

As reported in the 2022/23 Annual Report, due to the shortfall in recruitment which affected the wider Higher Education sector, management forecasts indicated at that time that the financial covenants in place at that point were likely to be breached. Management took swift and decisive action and drafted a Financial Recovery Plan which was approved by Court and implemented. The Plan included renegotiation of financial covenants for financial years 2024/25 through to 2026/27, a range of revised deficit out-turns, outlined a range of savings and efficiencies required, and re-iterated the commitment to return to revenue growth in 2025/26 and beyond. The outcomes of the Financial Recovery Plan for financial year 2023/24 are detailed on page 44 of the financial review.

In terms of the revised covenants, the debt service covenant test has been replaced with minimum earnings before interest, tax, depreciation and amortisation (EBITDA) and minimum cash holding tests in the interim period. The refinancing package resulted in the repayment of £30m of bank loans, using funds previously earmarked for the redevelopment of the King's campus, replacing this with a revolving credit facility that can be drawn upon as required.

As such, the University's external borrowings at 31 July 2024 totalled £62.8m (31st July 2023 - £93.4m). Of this amount, £60m relates to private placements for

which three covenants are in place (relating to EBITDA, minimum cash holding requirements and balance sheet gearing, refer to page 43).

The University is reporting that all financial covenants for 2023/24 have been met, with significant headroom on each. The projected out-turn, a deficit of £8.5m compared to the budgeted £12.5m (this was the adjusted deficit outlined in the Financial Recovery Plan), was underpinned by £19m of in-year savings - £13m recurrently in staff costs and £6m in operating costs. After assumptions around various offsets built into the budget, staff costs have reduced recurrently by £8m into 2024/25.

As part of the Financial Recovery Plan, Court approved an underlying deficit of £6.7m for financial year 2024/25, with an aspiration to return to breakeven in 2025/26 but with provision for an underlying deficit to a maximum of £3.0m. To meet the 2024/25 target deficit, the Financial Recovery Plan identified a need for £19.8m of savings of which £18.5m have been identified to date. The planned £6.7m deficit met all financial covenant requirements and resulted in approximately £10.0m of headroom for the EBITDA covenant test which was anticipated to be the most challenging test for financial year 2024/25.

The September 2024 student intake is in line with the forecast, with increases across several categories, and the forecast has also been revised to take account of the final enhanced retirement/voluntary severance outcome and the savings identified to date.

Management have determined that, after accounting for plausible downsides, all covenants for 2024/25 continue to be met with sufficient headroom. In addition, management have identified a range of mitigating items that could provide additional savings should further unforeseen circumstance arise that threaten covenant compliance. As such, Court is satisfied that all financial covenants will be met for 2024/25.

The covenants in place for financial year 2025/26 mostly revert to the those in place prior to the February 2024 refinancing package, albeit that the additional minimum cash holding test remains in place for the duration of the Revolving Credit Facility. The EBITDA test is replaced with a debt service covenant test that requires adjusted operating cash inflow to be at least 100% of debt service costs. The budget approved by Court in June 2024 projected the debt service cover test would be met with headroom of £10.8m. Forecasts also indicated that the gearing and minimum cash holding requirements would be met for financial year 2025/26.

Compliance for 2025/26 is more challenging, largely due to the timeframe and less certainty within forecasts, with the debt service cover test under the greatest pressure. Management have prepared a range of forecasts with sensitivities and scenarios focusing on progress against savings targets to date. This analysis indicates that the position remains largely in line with the expectations set within the June 2024 budget.

The University has dedicated significant resources into growing income and this remains the strategic focus. A number of actions are in train around growing student income, particularly transnational, and there are tangible early signs of progress allowing a modest level of additional income growth to be included. In terms of downside risks, as well as the student recruitment risk, in particular from international students, further risks to delivering the Financial Recovery Plan include the increase to employer national insurance contributions and not meeting current savings targets. The financial modelling completed around these upside and downside risks, together with the identification of a range of mitigating actions available to management in the unlikely event all these downside risks materialise, highlight that the University would continue to meet all financial covenants for financial year 2025/26 with sufficient headroom.

The mitigating actions available include the implementation of a complete recruitment freeze, tighter control of operational expenditure and the implementation of further enhanced retirement/voluntary severance should other measures prove insufficient. It should be stressed, however, that the priority for 2025/26 is to return to revenue growth. Management has outlined a range of actions to demonstrate there are sufficient options and levers available, should all plausible downsides come to fruition and further steps are required, to ensure all covenant requirements for financial year 2025/26 will be met.

The University Court is continuing to monitor its forecast compliance with covenants on a monthly basis. Management is confident that there are sufficient mitigating actions within the University's control that would offset any reduced income or undelivered savings to ensure compliance with future loan covenants should plausible downside risks materialise. The mitigating actions identified would allow the University to continue to deliver our key priority themes of research and education while meeting the needs of students and staff.

After reviewing these forecasts, the University Court is of the opinion that, taking account of plausible downsides, the Group and parent University will have sufficient funds to meet their liabilities as they fall due over the period to 31 July 2026. Based on the assessment outlined above, the University Court has concluded that it has adequate resources to continue in operation for the period to 31 July 2026, and for this reason the going concern basis continues to be adopted when preparing the financial statements.

c. Critical accounting judgments and estimates

The preparation of financial statements requires management to make judgments and adopt estimates that affect the financial statements during the reporting period.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and

represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102.

At 31 July 2023, the institution's balance sheet included a liability of £85.4m 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 from the 2023 valuation, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date the institution was no longer required to make deficit recovery contributions. The remaining liability was released to the Statement of Comprehensive Income. Further disclosures relating to the deficit recovery liability can be found in note 29.

Where the present value of defined benefit obligations less the fair value of plan assets results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

In the 2021/22 financial statements, the University assessed the recoverability of the asset on this basis and determined that it was appropriate that, in line with the requirements of FRS 102, the plan surplus in 2022 should not be recognised.

There has subsequently been a greater prevalence of pension surpluses, in Local Government Pension Schemes, and there are examples of some employers ceasing participation in schemes and receiving an exit refund. There has also been greater scrutiny by the accounting profession on the interpretation of the accounting for a plan surplus as a defined benefit plan asset including consideration of the extent to which the principles of IFRIC 14 are relevant when interpreting the FRS 102 requirements.

The University has taken independent accounting advice and has now concluded that, even though it has no intention of doing so, as it has a theoretical right to refund if it were to cease participation in the scheme, it is appropriate to recognise a pension asset valued in accordance with the cessation policy within Strathclyde Pension Fund's Funding Strategy Statement.

The extent to which any net pension asset within the Local Government Pension Scheme can be recognised is subject to significant actuarial assumptions around the potential future costs associated with the Strathclyde Pension Fund (SPF) and can be impacted by changes to actuarial assumptions and agreed contribution rates. Pension assets arising from the University's right to recover the surplus through a potential refund from the scheme can change materially as a result of changes to the cessation policy within Strathclyde Pension Fund's Funding Strategy Statement.

In the preparation of the consolidated financial statements, management has made estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for income and expenses during the year.

Actual results could differ from these estimates. Estimates are used principally when determining economic and mortality valuation assumptions for defined benefit pension scheme liabilities and in accounting for the carrying value of tangible fixed assets, by way of depreciation and impairment, and accounting for the fair value of investment properties, by way of annual revaluation (note 13). Estimates are also required in respect of other provisions, disclosed in note 21b.

d. Basis of consolidation

The consolidated financial statements include the University and its subsidiary for the year to 31 July. The results of subsidiaries acquired or disposed of during the period are included in the consolidated income and expenditure account from the date of acquisition or up to the date of disposal. Intra-group sales and profits are eliminated fully on consolidation. A list of subsidiary undertakings is included in note 31.

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

Following changes to the legal and operating structures of the University of Aberdeen Development Trust, a review of the Trust's relationship with the University and its accounting treatment was undertaken. In Management's judgment, the Trust remains outwith the control of the University and therefore is not consolidated within the Group accounts.

The University does not have a controlling interest on the Trust Board and is not involved in the appointment of Trustees. The Trust can award funds to other parties, as long as these parties have similar charitable objectives to those of the University. For example, the Trust can and has made awards to NHS Grampian Endowments, Aberdeen University Students Association and Aberdeen Sports Village. In addition, funds awarded to the University are not always provided to meet the University's strategic objectives, for example, funds for scholarship and prizes etc. are subsequently awarded to students based on the terms on the original donation. Details of the funds managed by the University of Aberdeen Development Trust are included within Note 28.

Income recognition

a. Grant funding

Government revenue grants including Scottish Funding Council block grants and research grants are recognised in income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part

of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants (including research grants) from non-government sources are recognised in income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the statement of financial position and released to income as the conditions are met. Management apply judgement in deferring income received for conditions not yet satisfied and accruing for income not yet received.

b. Donations & endowments

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

Donations with no restrictions are recognised as income when the University is entitled to the funds. Investment income and appreciation of endowments are recorded in income for the year for which they arise and are either restricted or unrestricted income according to the terms applied to the individual endowment fund.

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

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

c. Tuition fee income

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

d. Other income

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

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

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

e. Capital grants

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

Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the University. Any unused benefits, for example annual leave, are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement. The costs of the unused entitlement are estimated using a representative sample of employees.

Operating leases

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

Finance leases

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

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

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Service concession arrangements

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

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

Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to depreciated replacement cost on or prior to the date of transition to the SORP are measured on the basis of deemed cost, being the revalued amount at the date of transition. A revaluation reserve remains disclosed as a separate component of unrestricted reserves.

The difference between historic cost depreciation and depreciation based on revalued deemed cost is transferred from the revaluation reserve to the income and expenditure reserve in each reporting period.

a. Land and buildings

Land and buildings are stated at cost or deemed cost for those acquired prior to transition to the SORP. Subsequent capital expenditure is recorded at cost. Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services. Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the surplus or deficit in the Statement of Comprehensive Income and Expenditure. Properties are not depreciated but are revalued annually according to market conditions at 31 July each year.

The University performs impairment reviews of assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's net realisable value and its value in use, is less than its carrying amount.

Costs incurred in relation to a tangible fixed asset after its initial purchase or construction are capitalised to the extent that they increase the expected future benefits to the University. The cost of any such enhancement is added to the gross carrying amount of the tangible fixed asset concerned.

b. Equipment

Equipment, including computers and furniture costing less than £20,000 per individual item or group of related items, is written off in the year of purchase. All other items are capitalised. Assets acquired under finance leases are included in fixed assets and the capital element of the leasing commitments is shown as a liability.

c. Depreciation

Freehold land is not depreciated. Freehold buildings are depreciated over the expected useful economic life to the University, normally between 30 and 75 years. Where material, a depreciable asset's anticipated useful life is reviewed annually and the accumulated and future depreciation charges are adjusted.

Depreciation on tangible fixed assets in the course of construction is only provided when the assets are first brought into operational use. No depreciation is provided for on investment properties.

Depreciation is provided on the value of equipment, including IT equipment on a straight line basis, normally between 2 – 10 years.

d. Heritage assets

The University holds a number of collections, exhibits, artefacts, and other assets of historical, artistic or scientific importance. Heritage assets acquired before 31 July 2011 have not been capitalised, since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions from 1 August 2011 are capitalised at cost or, in the case of donated assets, will be valued where the cost of obtaining value is not greater than the benefit to the user of the financial statements. In line with the accounting policy in respect of equipment, the threshold for capitalising heritage assets is £20,000. Heritage assets that are irreplaceable originals and for which no reliable value can be attributed, will not be capitalised. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

e. Repairs and maintenance

Expenditure to ensure that a tangible fixed asset maintains its previously recognised standard of performance is recognised in the Statement of Comprehensive Income and Expenditure in the period in which it is incurred. The University has a planned maintenance programme, which is reviewed on an annual basis.

f. Intangible assets

Intangible assets (i.e. computer software) are amortised over their remaining useful economic life, not exceeding 15 years.

Investments

Listed investments, including spin out companies that the University has an interest in, held as fixed assets or endowment assets are shown at market value with movements recognised in the surplus or deficit. Investments in subsidiary undertakings are shown at cost and investments in joint ventures are shown in the consolidated statement of financial position as the attributable share of net assets. The University's share of any surplus or deficit in respect of Joint Ventures is recognised in the Statement of Comprehensive Income and Expenditure. Other investments include term-deposits with a maturity date of more than 12 months from the statement of financial position date.

Stock

Stock, including work in progress, is valued at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow-moving and defective stock.

Research and development

Research and development costs incurred by the University on its own behalf are written off in the year incurred with the exception of any equipment or software that is capitalised in line with the University's accounting policy.

Taxation

The University is an exempt charity within the meaning of Charities and Trustee Investment (Scotland) Act 2005 and, as such, is a charity within the meaning of Section 506(1) of the Income and Corporation Taxes Act 1988. The University is recognised as a charity by HM Revenue & Customs and is recorded on the index of charities by the Office of the Scottish Charity Regulator. It is, therefore, a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. Subsidiary companies are liable to corporation tax.

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

Cash and cash equivalents

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

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

Foreign currency

Foreign currency transactions are recorded at the rate of exchange at the dates of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling at financial year end rates. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income and Expenditure.

Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when the University has a present obligation (legal or constructive) as a result of a past event, it is probable

that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligations. The amount recognised as a provision is discounted to present value where the time value of money is material. The discount rate used reflects current market assessments of the time value of money and reflects any risks specific to the liability.

Contingent liabilities are disclosed by way of a note, where the definition of a provision is not met and includes three scenarios: possible rather than a present obligation; a possible rather than a probable outflow of economic benefits; an inability to reliably measure the possible economic outflow.

Contingent assets are disclosed by way of a note, where there is a possible, rather than present asset arising from a past event.

Basic financial instruments

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost less any impairment losses in the case of trade debtors. Management apply judgment to the recoverability of outstanding debt when considering potential impairment. If payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the University's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Other financial instruments

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in the surplus or deficit except hedging instruments in a designated hedging relationship.

Pension schemes

The principal schemes for the University's staff are the Universities' Superannuation Scheme (USS) and the University of Aberdeen Superannuation & Life Assurance Scheme (UASLAS). The University also contributes to the Strathclyde Pension Fund (SPF). Each scheme is or includes a defined benefit plan which is valued every three years by professionally qualified independent actuaries. A small number of staff remain in other pension schemes.

a. Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the University pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution

pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

b. Defined benefit plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The Group should recognise a liability for its obligations under defined benefit plans, net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The liability discount rate is the yield at the statement of financial position date on AA credit rated bonds which match the currency and approximate to the duration of the pension liabilities. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds.

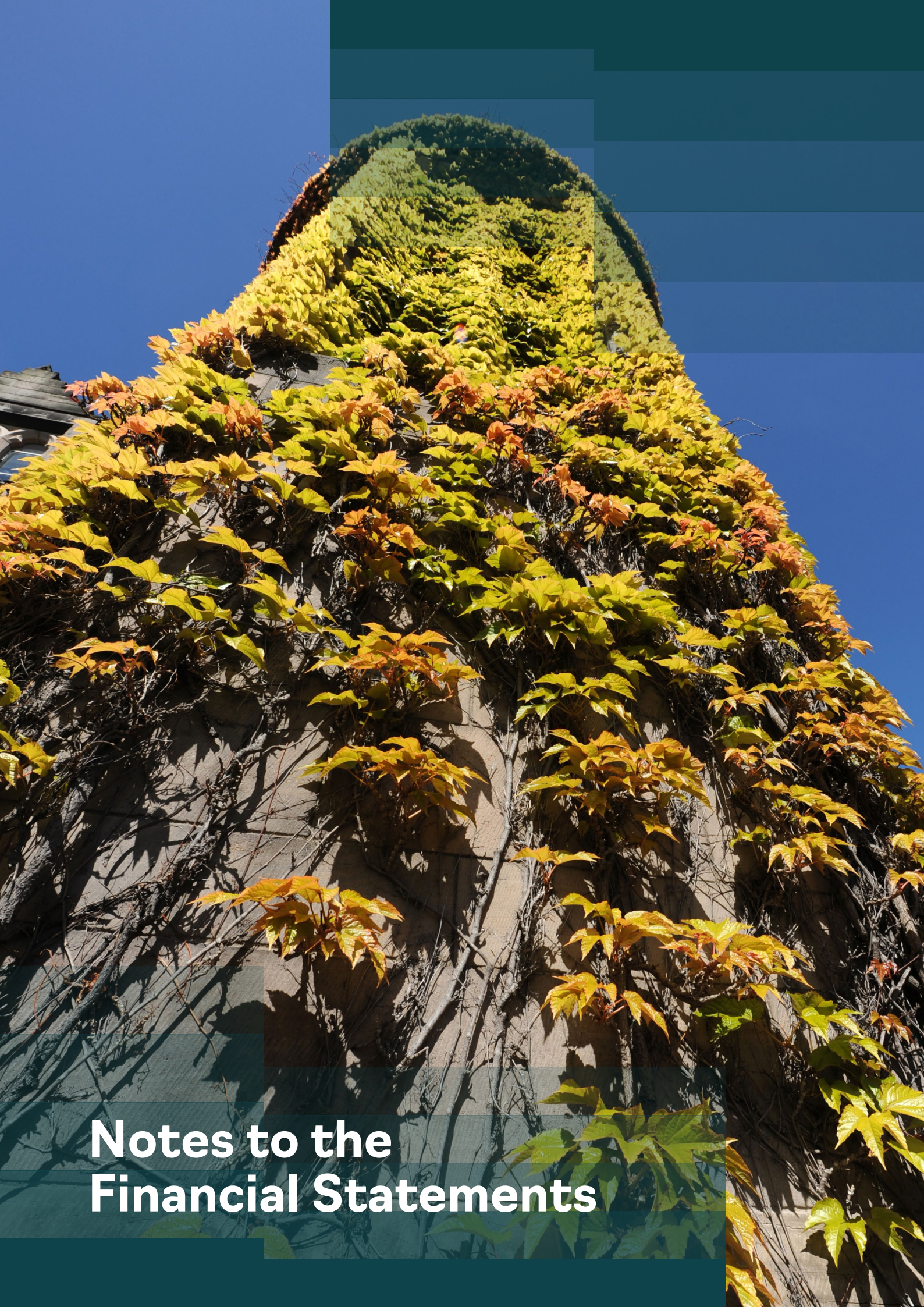
c. Multi-employer scheme

The defined benefit section of the USS is a multi-employer scheme. The assets are not attributed to individual employers and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other employers 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 USS defined benefit scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure represents contributions payable to the scheme. The University recognises an immediate expense and provision liability for the present value of contributions which are payable that arise from deficit funding obligations.

As a refund from the scheme would only be available if the University were to exit the scheme, any pension asset on the basis of this theoretical right to refund pension asset is valued in accordance with the cessation policy with the Strathclyde Pension Fund's Funding Strategy Statement.

Reserves

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



Notes to the Financial Statements

1. Tuition fees and educational contracts

	2024	2023
	£000	£000
Consolidated and University		
Scottish fees	17,897	17,841
EU fees	3,364	3,519
RUK fees	11,704	11,469
Non-EU fees	57,071	62,927
Non-credit bearing course fees	1,093	924
Other contracts	171	171
	91,300	96,851

2. Funding body grants

Consolidated and University		
SFC general funding - teaching	50,271	50,265
SFC general funding - research	17,752	20,368
Strategic research development grant	3,747	4,532
Capital grants released from deferred income	4,386	4,606
Other SFC grants	602	650
	76,758	80,421

3. Research grants and contracts

Consolidated and University		
Research councils	13,386	11,146
UK based charities	10,183	10,811
UK central and local government, health and hospital authorities	16,027	16,968
UK industry, commerce and public corporations	5,594	5,973
EU government bodies	1,459	1,949
EU other	1,112	811
Other overseas	8,652	8,252
Other sources	462	419
	56,875	56,329

Research grants and contracts income includes the following significant grants (over £500,000):

Funding body	Project title	£000
RESAS	RESAS main programme	5,249
Wista Laboratories Ltd	Alzheimer's research project	3,692
Net Zero Technology Centre Ltd	National Decommissioning Centre	1,027
NERC	Doctoral research and training (QUADRAT)	807
PPG Global Ltd	Novavax Covid Vaccine Study	717
BBSRC	Eastbio DTP 3	609
Various Oil Companies	Safari 5	608
National Institute of Health Research	Production of Technology Assessment Reviews (TARS)	559

4. Other income

	2024		2023	
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
Residences, catering and conferences	10,502	10,502	10,409	10,409
Consultancy	986	986	2,824	2,824
Health authorities	8,755	8,755	7,717	7,717
VAT recovery	510	510	350	350
Other grants	7,591	7,571	9,429	9,551
Capital grants received/released	14	14	19	19
Breakage gains on repayment of loan	1,842	1,842	-	-
	30,200	30,180	30,748	30,870

5. Investment income

Investment income from endowments (note 22)	1,244	1,244	944	944
Other investment income	4,253	3,826	2,642	2,500
	5,497	5,070	3,586	3,444

6. Donations and endowments

New endowments (note 22)	197	197	94	94
Donations with restrictions	479	3,604	606	606
	676	3,801	700	700

7. Staff costs

	2024	2023
	£000	£000
Consolidated and University		
Salaries	133,992	129,079
Social security costs	13,441	12,918
Movement on pension provisions (note 21a)	(88,645)	(16,179)
Other pension costs	21,307	25,125
Enhanced retirement and voluntary severance costs	6,310	-
	86,405	150,943

Emoluments of the Principal and Vice-Chancellor – Professor George Boyne

Salary	292	281
Living allowance	20	14
Pension contributions to USS	8	18
Sub-total	320	313
Benefit in kind – accommodation and associated costs	19	23
Total	339	336

The Principal is required to reside in University-provided accommodation as the University regards this as essential for the fulfilment of his duties. The living allowance was introduced on the removal of the customary tax exemption for the provision of accommodation by HM Revenue & Customs.

The Principal contributes £12,000 p.a. towards accommodation costs that results in a net benefit in kind of £19,000 (2023: £23,000). The decrease in the value of the benefit in kind was due to lower utility and maintenance costs.

The remuneration (comprising of salary, living allowance and pension contributions) of the Principal, Professor George Boyne, in the financial year was £320,000 (2023: £313,000). His remuneration was 7.98 times (2023: 7.7 times) the median remuneration of the workforce which was £42,478 (2023: £41,726).

Staff costs for key management personnel excluding employer's pension contribution	1,569	1,344
---	--------------	--------------

Key management personnel are the University's Senior Management Team (SMT), comprising of the Senior Vice Principal, Vice Principals, the University Secretary and Chief Operating Officer, the Chief Financial Officer the Director of People, and the Director of Advancement. The 2023/24 figure includes payments to compensate loss of office of £0.18m paid to two members of staff.

	2024		2023	
Compensation for loss of office payable to senior post holders:	Number	£000	Number	£000
Number of payments in excess of £100,000 during the year	1	101	-	-
Compensation arrangements for members of staff earning in excess of £100,000	5	379	-	-

	2024	2023
Remuneration of other higher paid staff (excluding the Principal)	Number	Number
£100,000 - £109,999	18	21
£110,000 - £119,999	19	14
£120,000 - £129,999	14	7
£130,000 - £139,999	10	14
£140,000 - £149,999	9	4
£150,000 - £159,999	6	6
£160,000 - £169,999	4	3
£170,000 - £179,999	3	3
£180,000 - £189,999	2	-

7. Staff costs (continued)

	2024	2023
	£000	£000
Average staff numbers by activity - full time equivalent basis		
Academic departments	1,265	1,272
Academic services	328	324
Administration and central services	396	414
Premises	205	217
Residences, catering and conferences	90	98
Research grants and contracts	374	373
Other expenses	103	99
	2,761	2,797

Staff costs by activity - Consolidated and University

Academic departments	86,120	85,541
Academic services	16,903	16,229
Administration and central services	22,046	22,240
Premises	7,409	7,619
Residences, catering and conferences	3,352	3,477
Research grants and contracts	24,485	23,830
Other expenses	8,425	8,186
Pension cost adjustments	(88,645)	(16,179)
Enhanced retirement and voluntary severance costs	6,310	-
	86,405	150,943

8. Other operating expenses by activity

	2024		2023	
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
Academic departments	17,161	17,161	18,355	18,355
Academic services	7,751	7,751	7,556	7,556
Administration and central services	12,134	12,134	13,341	13,341
Premises	15,067	15,067	13,664	13,664
Residences, catering and conferences	3,012	3,012	3,534	3,534
Research grants and contracts	17,005	17,005	15,811	15,811
Other expenses	4,035	3,953	9,021	8,976
Pension liability movements	330	330	330	330
	76,495	76,413	81,612	81,567

Other operating expenses (including VAT) include:

External auditor's remuneration in respect of audit services - EY LLP	267	267	367	367
External auditor's remuneration in respect of non-audit services - EY LLP	19	19	18	18
Internal auditor's remuneration in respect of audit services	186	186	154	154
Internal auditor's remuneration in respect of non-audit services	21	21	-	-
Agency staff costs	531	531	385	385

Internal auditor remuneration for non-audit services is in respect of overseas tax filings.

9. Depreciation by activity

	2024		2023	
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
Academic departments	1,766	1,766	1,647	1,647
Academic services	4,519	4,519	3,950	3,950
Administration and central services	1	1	5	5
Premises	9,237	9,237	9,493	9,493
Residences, catering and conferences	2,462	2,462	2,506	2,506
Research grants and contracts	934	934	678	678
Other expenses	218	218	166	166
	19,137	19,137	18,445	18,445

10. Interest and other finance costs

Loan interest	2,620	2,620	2,875	2,875
Finance leases	2,287	2,287	2,121	2,121
Net interest on defined benefit pension schemes (note 21a)	2,081	2,081	3,374	3,374
	6,988	6,988	8,370	8,370

11. Analysis of total expenditure by activity

Academic departments	105,047	105,047	105,543	105,543
Academic services	29,173	29,173	27,735	27,735
Administration and central services	34,114	34,114	35,586	35,586
Premises	34,333	34,333	33,651	33,651
Residences, catering and conferences	11,113	11,113	11,638	11,638
Research grants and contracts	42,424	42,424	40,319	40,319
Other expenses	12,745	12,663	17,373	17,328
Movement on pension provisions	(86,234)	(86,234)	(12,475)	(12,475)
Enhanced retirement and voluntary severance costs	6,310	6,310	-	-
	189,025	188,943	259,370	259,325

12. Disposal of fixed assets

Gain/(loss) on disposal of fixed assets	1,054	(183)	(9)	(9)
---	--------------	--------------	------------	------------

The consolidated gain on disposal of fixed assets is due to the sale of land in the Rowett Research Institute Ltd.

13. Fixed assets - Non-current assets - Consolidated

	Freehold Land and Buildings	Assets in Course of Construction	Investment Properties	Heritage Assets	Fixtures, Fitting and Equipment	Intangible Assets	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation							
At 1 August 2023	590,979	-	28,237	277	70,308	8,295	698,096
Additions	5,016	(10)	101	-	8,916	747	14,770
Reclassification	2,680	-	(2,680)	-	-	-	-
Revaluation	-	-	(728)	-	-	-	(728)
Impairment	(1,000)	10	-	-	-	-	990
Disposals	(356)	-	-	-	(3,705)	-	(4,061)
At 31 July 2024	597,319	-	24,930	277	75,519	9,042	707,087
Depreciation							
At 1 August 2023	115,110	-	-	-	53,189	5,070	173,369
Charge for the year	12,171	-	-	-	6,296	670	19,137
Impairment	-	-	-	-	-	-	-
Eliminated on disposals	(54)	-	-	-	(3,704)	-	(3,758)
At 31 July 2024	127,227	-	-	-	55,781	5,740	188,748
Net book value							
At 31 July 2024	470,092	-	24,930	277	19,738	3,302	518,339
At 31 July 2023	475,869	-	28,237	277	17,119	3,225	524,727

13. Fixed assets - Non-current assets - University

	Freehold Land and Buildings	Assets in Course of Construction	Investment Properties	Heritage Assets	Fixtures, Fitting and Equipment	Intangible Assets	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation							
At 1 August 2023	589,907	-	26,596	277	70,308	8,295	695,383
Additions	5,016	(10)	101	-	8,916	747	14,770
Reclassification	2,680	-	(2,680)	-	-	-	-
Revaluation	-	-	(683)	-	-	-	(683)
Impairment	(1,000)	10	-	-	-	-	990
Disposals	(333)	-	-	-	(3,705)	-	(4,038)
At 31 July 2024	596,270	-	23,334	277	75,519	9,042	704,442
Depreciation							
At 1 August 2023	115,052	-	-	-	53,189	5,070	173,311
Charge for the year	12,171	-	-	-	6,296	670	19,137
Impairment	-	-	-	-	-	-	-
Eliminated on disposals	(54)	-	-	-	(3,704)	-	(3,758)
At 31 July 2024	127,169	-	-	-	55,781	5,740	188,690
Net book value							
At 31 July 2024	469,101	-	23,334	277	19,738	3,302	515,752
At 31 July 2023	474,855	-	26,596	277	17,119	3,225	522,072

As permitted by FRS102 the University adopted the 2014 land and building valuation figures as deemed cost and no longer revalues these assets every 5 years. The basis of the 2014 valuation was depreciated replacement cost as set out in the Royal Institute of Chartered Surveyor's Statement of Asset Valuation Practice and Guidance Notes.

The University owns academic, academic related and recreational buildings which are located in Old Aberdeen, at Foresterhill, part of Marischal College and various Halls of Residence complexes. Part of the Hillhead Halls of residence complex is held under a finance lease, the net book value of assets held under finance leases by the University is £20.1m (2023: £20.7m).

Consolidated and University fixed assets net book value at 31 July 2024 respectively include £24.9m (2023: £28.2m) and £23.3m (2023: £26.5m) in respect of investment properties that are required to be revalued on an annual basis. The revaluation exercise was carried out on 31 July 2024 and was performed by Gerald Eve.

There was a £1.0m impairment charge due to discovery of reinforced autoclaved aerated concrete (RAAC) in the Polwarth Medical School building.

Should any land and buildings financed by exchequer funds be sold, the University may be liable, under the terms of the Financial Memorandum with the Scottish Funding Council, to repay the proceeds.

There have been no material acquisitions or disposals of heritage assets in the period, nor in the previous four reporting periods.

The net book value of fixed assets is analysed between:

	2024		2023	
	Consolidated £000	University £000	Consolidated £000	University £000
Tangible assets	489,830	488,839	492,988	491,974
Heritage assets	277	277	277	277
Intangible assets	3,302	3,302	3,225	3,225
Investment properties	24,930	23,334	28,237	26,596
	518,339	515,752	524,727	522,072

14. Non-current investments

	Endowments £000	Spin-Outs £000	Pensions £000	Other £000	Total £000
Consolidated					
At 1 August 2023	54,451	639	3,473	578	59,141
Additions	2,421	-	-	-	2,421
Disposals/reclassification	(2,371)	-	-	(99)	(2,470)
Appreciation/(depreciation)	6,796	(32)	408	-	7,172
At 31 July 2024	61,297	607	3,881	479	66,264
University					
At 1 August 2023	54,451	639	3,473	15,445	74,008
Additions	2,421	-	-	-	2,421
Disposals/reclassification	(2,371)	-	-	(99)	(2,470)
Impairment	-	-	-	(614)	(614)
Appreciation/(depreciation)	6,796	(32)	408	-	7,172
At 31 July 2024	61,297	607	3,881	14,732	80,517

The endowment portfolio consists of equity funds, fixed income bonds and property units.

	Consolidated £000	University £000
Other non-current investments consist of:		
Aberdeen Sports Village Ltd (Joint Venture - Note 15)	-	14,253
Epidarex Capital	479	479
	479	14,732

The Group's subsidiary undertakings are listed in note 31.

The Group has participating interests in spin out entities which exceed 20% of voting rights (at cost), however there is no board control over the entities and significant influence is not exerted over the operating and financial policies. As a result, the investees are free to implement policies that are inconsistent with the investor's strategy. The substance of the relationship between the investor and investee is that of a fixed asset investment with a view to a trade sale in the medium term. Therefore, these investments are disclosed as fixed asset investments and are not accounted for as equity.

The total value of endowments, spin outs and pension non-current assets carried at fair value in the consolidated statement of financial position is £65.8m (2023: £58.6m)

15. Investment in joint venture

The University holds a 50% share of Aberdeen Sports Village Limited, a company limited by guarantee and registered as a charity. The company provides premier sporting facilities to our students and the wider community, including the Aquatics Centre with an Olympic standard swimming pool. This is a joint venture company owned equally by the University and Aberdeen City Council. The arrangement is treated as a joint venture and is accounted for using the gross equity method, such that 50% of the company's gross assets and liabilities are incorporated into the consolidated statement of financial position of the University and 50% of its net income is reported in the Statement of Comprehensive Income.

	2024	2023
	£000	£000
Income and expenditure account		
Deficit before tax	(614)	(574)
Actuarial gain on pension scheme	-	-
	(614)	(574)
Statement of Financial Position		
Fixed assets	15,534	16,232
Current assets	2,459	2,784
	17,993	19,016
Less: Restricted funding from SportScotland	(3,366)	(3,609)
Share of gross assets	14,627	15,407
Less: Creditors - amounts due with one year	(374)	(540)
Share of net assets	14,253	14,867

The movement in the share of net assets from the prior year reflects the University's share of the loss for the year.

16. Stock

	2024		2023	
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
Stock of finished goods	270	270	275	275

17. Trade and other receivables

Trade debtors	6,674	6,674	11,208	11,208
Prepayments and accrued income	14,479	14,479	14,837	14,837
Amounts due from subsidiary companies	-	-	-	-
	21,153	21,153	26,045	26,045

Financial instruments included within trade and other receivables are carried at amortised cost.

18. Investments

Term deposits	25,597	25,597	47,000	47,000
---------------	--------	--------	--------	--------

19. Creditors: amounts falling due within one year

Loans and leases	829	829	993	993
Research grants received on account	16,046	16,046	18,051	18,051
Other grants received on account	9,458	9,458	11,562	11,562
Trade creditors	2,873	2,873	5,658	5,658
Social security and other taxation payable	4,165	4,165	4,127	4,127
Accruals and deferred income	31,024	31,024	28,079	28,047
	64,395	64,395	68,470	68,438

Financial instruments included within creditors are carried at amortised cost.

20. Creditors: amounts falling due after more than a year

	2024		2023	
	Consolidated £000	University £000	Consolidated £000	University £000
Loans	62,500	62,500	92,786	92,786
Finance lease obligations	22,032	22,032	22,497	22,497
Deferred income	88,012	88,012	88,546	88,546
	172,544	172,544	203,829	203,829

a. Loans are repayable:

Less than one year	286	286	286	286
Between one and two years	286	286	286	286
Between two and five years	857	857	10,858	10,858
In five years or more	61,357	61,357	81,642	81,642
	62,786	62,786	93,072	93,072

b. Finance lease net obligations committed:

Less than one year	543	543	707	707
Between one and two years	646	646	592	592
Between two and five years	2,761	2,761	2,412	2,412
In five years or more	18,625	18,625	19,493	19,493
	22,575	22,575	23,204	23,204

c. Deferred income

Less than one year	4,097	4,097	4,519	4,519
Between one and two years	3,337	3,337	3,571	3,571
Between two and five years	7,935	7,935	7,451	7,451
In five years or more	76,740	76,740	77,524	77,524
	92,109	92,109	93,065	93,065

Deferred income relates to capital grants received from government bodies.

Loans included above have the following terms:

	Amount £000	Term Year	Rate %
Private Placement – Tranche 1	20,000	2044	3.050
Private Placement – Tranche 2	20,000	2049	3.130
Private Placement – Tranche 3	20,000	2054	3.190
SFC Financial Transactions	2,786	2034	0.250

In May 2019, the University raised £60m of borrowing through a private placement, the funds are in three tranches of £20m repayable in 25, 30 and 35 years. In April 2020, the University received £4m of funding via the Scottish Funding Council's Financial Transactions programme.

The private placement loan carries financial covenants, all of which were complied with at the Statement of Financial Position date. Further details are included on pages 42/43.

The University refinanced the bank loans in April 2024. The outstanding £30m was fully repaid and replaced with a £30m revolving credit facility, none of which has been drawn down.

Leases

In December 2012, the University entered into a 25 year finance leasing arrangement with Prudential Ltd in respect of the New Carnegie Court Halls of Residence, £22.5m is payable under this agreement which expires in 2037. The terms of the lease include an annual rent review that is applicable from 28 November. The review is based on the RPI index for August and includes provision that the increases will be restricted to between 1% to 5% annually.

21. Provisions for liabilities

a. Pension provisions	USS Deficit Obligations	Defined Benefit Obligations	Enhanced Pensions	Total Pension Provisions
	£000	£000	£000	£000
Consolidated and University				
At 1 August 2023	85,446	3,377	1,670	90,493
Charged to staff costs	-	2,518	-	2,518
Movements in year	-	-	(80)	(80)
Interest payable	1,955	127	-	2,082
Employer contributions paid	(2,770)	(3,763)	-	(6,533)
Administrative expenses	-	330	-	330
Changes in expected contributions	(84,631)	-	-	(84,631)
Actuarial loss	-	2,156	-	2,156
At 31 July 2024	-	4,745	1,590	6,335

Further information regarding the USS pension scheme and defined benefit obligation schemes is available in note 29.

b. Other provisions	Medical Equipment £000
Consolidated and University	
At 1 August 2023	300
Charged in year	65
Utilised in year	-
Released in year	-
At 31 July 2024	365

Provisions are expected to be used or reversed within one year.

22. Endowment reserves

Consolidated and University	Unrestricted Permanent	Restricted Permanent	Restricted Expendable	2024 Total	2023 Total
	£000	£000	£000	£000	£000
Balance at 1 August 2023					
Capital	19,211	31,258	50	50,519	50,354
Accumulated income	-	8,122	-	8,122	7,727
	19,211	39,380	50	58,641	58,081
			-		
New endowments	-	197	-	197	94
Investment income	418	825	1	1,244	944
Expenditure	(418)	(1,091)	(48)	(1,557)	(798)
Net expenditure	-	(266)	(47)	(313)	146
Increase/(decrease) in market value of investments	2,231	4,564	-	6,795	320
At 31 July 2024	21,442	43,875	3	65,320	58,641

Represented by:					
Capital	21,442	35,757	3	57,202	50,519
Accumulated income	-	8,118	-	8,118	8,122
	21,442	43,875	3	65,320	58,641

Analysis by purpose					
Bursaries				3,651	3,485
Prizes				2,591	2,560
Scholarships				7,379	7,305
Teaching foundations				5,755	5,889
Other restricted purposes				18,748	19,105
Unrestricted				21,442	19,211
Unallocated unrealised gains				5,754	1,086
				65,320	58,641

The University has one material endowment, the James E Crombie endowment, a permanent endowment with no restrictions, which at 31 July 2024, had a balance of £6.6m made up of a share of pooled investments and cash balances. The fund earned £0.15m during the year, which in line with SORP requirements, was released to the Income and Expenditure Reserve.

23. Cash and cash equivalents

	Consolidated £000	University £000
At 1 August 2023	54,671	46,106
Cash flows	(16,265)	(14,744)
At 31 July 2024	38,406	31,362

24. Reconciliation of net debt

Analysis of net debt	2024		2023	
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
Cash and cash equivalents	38,406	31,362	54,671	46,106
Investments	25,597	25,597	47,000	47,000
	64,003	56,959	101,671	93,106
Borrowings: amounts falling due within one year				
Unsecured loans	286	286	286	286
Obligations under finance leases	542	542	707	707
	828	828	993	993
Borrowings: amounts falling due after more than one year				
Unsecured loans	62,500	62,500	92,786	92,786
Obligations under finance leases	22,032	22,032	22,497	22,497
	84,532	84,532	115,283	115,283
Net debt	21,357	28,401	14,605	23,170
Net debt at 1 August 2023	14,605	23,170	8,603	17,218
Movement in cash, cash equivalents and investments	37,668	36,147	6,929	6,879
Capital repayment of finance leases	(630)	(630)	(641)	(641)
Repayment of unsecured loans	(30,286)	(30,286)	(286)	(286)
New finance leases	-	-	-	-
New unsecured loans	-	-	-	-
Net debt at 31 July 2024	21,357	28,401	14,605	23,170
Change in net debt	6,752	5,231	6,002	5,952

25. Capital commitments

	2024	2023
	£000	£000
Consolidated and University		
Commitments contracted for	1,462	3,438
Authorised but not contracted for	12,332	22,265
	13,794	25,703

26. Amounts disbursed as agent

	Childcare Funds £000	Undergraduate Funds £000	Postgraduate Funds £000	International Funds £000	2024 Total £000	2023 Total £000
Consolidated and University						
At 1 August 2023	28	97	43	2	170	249
Allocation received in year	88	276	-	8	372	540
Repaid as claw back	(28)	(97)	(43)	(2)	(170)	(192)
Interest earned	1	3	1	-	5	13
Transfers	(60)	12	56	(8)	-	-
Expenditure	(28)	(273)	(50)	-	(351)	(440)
At 31 July 2024	1	18	7	2	26	170

These funds are allocated to the University to be paid to students on behalf of the Student Awards Agency for Scotland.

27. Disclosure of related party transactions

Due to the nature of the Group and University's operations and the composition of the University Court being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of University Court may have an interest. Court members are required to maintain a register of interests and all transactions involving organisations in which a member of the University Court may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures.

The following transactions were identified for the disclosure:

Organisation	Relationship	Nature of Transaction	Receipts £000	Payments £000
Aberdeen Sports Village Limited*	Joint venture	Operations/Grants	174	1,613
Aberdeen University Students Association*	Charity	Operations/Grants	144	1,048
Carnegie Trust	Charity	Operations/Grants	22	-
CMS Cameron McKenna Nabarro Olswang LLP	Supplier	Operations	1	-
Cruickshank Botanical Gardens Trust	Charity	Operations/Grants	10	-
Cruickshank Special Trust	Charity	Operations/Grants	10	-
ONE (Opportunity North East)	Supplier	Operations	-	58
Rocking Horse Nursery*	Charity	Operations	1,001	686
University and Colleges Employers Association (UCEA)	Supplier	Operations	-	27
University of Aberdeen Development Trust DT*	Charity	Operations/Grants	-	1
University of Aberdeen Development Trust SCIO*	Charity	Operations/Grants	5,365	-

The University of Aberdeen Life Assurance and Superannuation Scheme and the Universities Superannuation Scheme are also regarded as related parties. Details of transactions are included within Note 29.

Those parties marked with * are related to the University as a result of our close working relationships. Others are classed as related parties due to their association with individual Members of Court.

Outstanding balances owed from/(to) the above related parties as at 31 July 2024 are as follows:

	2024 £000	2023 £000
Aberdeen Sports Village Limited	20	107
Aberdeen University Students Association	(3)	4
ONE (Opportunity North East)	(36)	-
Rocking Horse Nursery	22	65
UCEA	(12)	(1)
University of Aberdeen Development Trust	-	26
University of Aberdeen Development Trust SCIO	(16)	55

28. University of Aberdeen Development Trust

The University has access to funds controlled by the University of Aberdeen Development Trust. The Trust is not consolidated within the University Group as in management's judgement the University does not have control of the Trust, further details are included with the statement of principal accounting policies and estimation techniques. As at 31 July 2024, funds under the Trust's control are:

	Funds at 1 August 2023 £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	Funds at 31 July 2024 £000
Consolidated					
Restricted Funds	34,423	10,503	(5,140)	24	39,810
Endowed Funds	17,060	2,205	(301)	(21)	18,943
Unrestricted Funds	718	204	(257)	(3)	662
Total Funds	52,201	12,912	(5,698)	-	59,415

29. Pension schemes

The principal schemes for the University's staff are the Universities' Superannuation Scheme (USS) and the University of Aberdeen Superannuation & Life Assurance Scheme (UASLAS). The University also contributes to the Strathclyde Pension Fund (SPF). The UASLAS and SPF schemes are defined benefit schemes, whilst the USS scheme has a combination of defined benefit and defined contribution elements. All three schemes are externally funded. Each fund is valued every three years by professionally qualified independent actuaries. A small number of staff remain in other pension schemes.

Pension Scheme	Employer Contribution Rate	Employee Contribution Rate	Active Members	2024 £000	2023 £000
As at 31 July 2024					
UASLAS	19.3% ¹	8.0%	576	2,756	2,732
SPF	6.5%	Variable	17	187	259
USS	14.5% ²	6.1%	2,051	18,563	21,918
STSS	26.0%	Variable	-	12	16
NHSS	22.5%	Variable	29	483	356
				22,001	25,281

¹ The UASLAS employer contribution rate includes a £725,000 contribution towards the elimination of the deficit.

Key actuarial assumptions, if appropriate

Pension Scheme	Discount Rate	Salary Increase Rate	Pension Increase Rate	Mortality Rate Current pensioners male	Mortality Rate Current pensioners female	Mortality Rate Future pensioners male	Mortality Rate Future pensioners female
SPF	4.0%	2.7%	2.7%	20.4	23.4	22.1	24.6
UASLAS	5.05%	3.2%/3.0%	See below	20.5	23.1	22.1	25.4

UASLAS Pension Increase Rates and Inflation Assumptions

	Increase Rate	CPI	RPI
CARE – pre January 2019, pre 2030	2.3%		
CARE – pre January 2019, post 2030	2.9%		
CARE – post January 2019, pre 2030	2.3%		
CARE – post January 2019, post 2030	2.9%		
Final Salary – pre 2030	3.2%		
Final Salary – post 2030	3.0%		
Inflation assumption pre 2030		2.3%	3.2%
Inflation assumption post 2030		2.9%	3.0%

In calculating USS pension provision at 31 July 2023, the University used the discount rate (5.49%) provided by the British Universities Finance Directors Group (BUFDG) and a future salaries increase rate of 4.5% for financial years 23/24 to 25/26, and 3.0% thereafter. Following the completion of the 2023 valuation exercise, there is no USS pension provision as at 31 July 2024.

29. Pension schemes - continued

Guaranteed Minimum Pension

On 26 October 2018, the High Court in England handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded such schemes should be amended to equalise differences in pension benefits for men and women arising from amounts accrued under the Guaranteed Minimum Pension between 1990 and 1997. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. During the year, the University has worked with the trustees of the UASLAS and SPF schemes to understand and evaluate the additional defined benefit pension obligation arising from the judgment for each scheme. An additional liability of £0.8m was recognised at 31 July 2019 in respect of Guaranteed Minimum Pension. For the University's other defined benefit schemes, principally the USS, the provision included within the financial statements in note 21 may also be impacted in the future, to the extent changes in benefits due to the judgment increase the future level of employer deficit contributions. It is not possible currently to estimate this potential change at 31 July 2024.

The Universities Superannuation Scheme (USS)

The University participates in the Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University 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 defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme. Since the University had entered into an agreement (the Recovery Plan) that determined how each employer within the scheme will fund any overall deficit, the University recognised a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the Statement of Comprehensive Income.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as the Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in the surplus or deficit in accordance with section 28 of FRS 102. Court is satisfied that the Universities Superannuation Scheme meets the definition of a multi-employer scheme.

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 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. 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 latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2023 (the valuation date), which was carried out using the projected unit method.

Since the University 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 (the statutory funding objective). 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.

CPI Assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030.
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumptions plus 3bps Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%) CPI assumption minus 3bps
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% p.a.

The main demographic assumption used relates 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:

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

29. Pension schemes - continued

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

University of Aberdeen Superannuation and Life Assurance Scheme (UASLAS)

The University of Aberdeen Superannuation and Life Assurance Scheme is a funded defined benefit pension scheme in the UK. The Scheme is set up on a tax relieved basis as a separate trust independent of the University and is supervised by Trustees. The Trustees are responsible for ensuring that the correct benefits are paid, that the Scheme is appropriately funded and that Scheme assets are appropriately invested.

Active members of the Scheme pay contributions at the rate of 8.0% of pensionable salary and the University pays the balance of the cost as determined by regular actuarial valuations. The Trustees are required to use prudent assumptions to value the liabilities and costs of the Scheme for funding purposes whereas the accounting assumptions must be best estimates. The University contributes £725,000 per annum towards elimination of the funding shortfall. This is in addition to contributions paid in respect of future service benefits and administration expenses.

A formal actuarial valuation as at 31 July 2022 reported a deficit of £9.6m. As a result of the 2022 valuation exercise, employer contributions, including the deficit recovery contribution are now 19.3% and employee contributions remain unchanged at 8%.

The power to appoint Trustees is vested in the University Court. Court appoints four Trustees including an independent chair and three University employees. A further two Trustees, who represent members, are elected by the active and pensioner members of the scheme. The arrangements for appointing membership representatives comply with the Membership Nominated Trustee requirements of the Pensions Act 2004.

Trustees are invited to attend Trustee meetings at which a minimum of two must be present for valid decisions to be taken. Decisions require the majority support of those Trustees present. Trustee meetings are normally held every three months but can be called more frequently where necessary. During 2023/24 the Trustees met four times.

	Increase in Provision
	£000
0.1% decrease in discount rate	1,645
0.1% increase in inflation	1,107
0.1% increase in salary increases	64

29. Pension schemes - continued

University of Aberdeen Superannuation and Life Assurance Scheme (UASLAS)

Scheme Assets	2024	2023
	Fund Value	Fund Value
	£000	£000
Equities	15,821	16,858
Property	11,653	11,867
Government bonds	7,222	4,967
Corporate bonds	39,016	43,369
Liability driven investments	39,694	32,778
Secured positions	457	494
Cash	1,496	3,175
Other	1,525	1,251
	116,884	114,759

The Scheme holds an asset in respect of annuities purchased in the Trustees' name to meet benefits due to pensioners (and deferred pensioners). The value of the assets in respect of these policies is equal to the value of the FRS102 liability that they cover, which at the Measurement Date was £457,000.

At 31 July 2024, the defined benefit deficit of the scheme was £13.7m (2023: £12.2m). Following the 31 July 2016 triennial valuation, the University agreed to make annual deficit contributions of £725,000 and the provision of a pension guarantee to the value of the deficit. The guarantee was subsequently increased to £9.6m to reflect the 2019 valuation exercise deficit and was maintained at this level following the 2022 exercise. The guarantee is required until 31 July 2033.

Additional disclosures in respect of the UASLAS pensions disclosures Inflation assumptions

The University has updated its approach to setting RPI and CPI inflation assumptions in light of the RPI reform proposals published on the 4th September 2019 by the UK Chancellor and UK Statistics Authority.

The University has proposed that RPI inflation is to be set in line with market break even expectations less an inflation risk premium (IRP). They have proposed a change to how the IRP is set post 2030, resulting in a decrease in RPI compared with the prior year methodology of 20 basis points after 2030. For the CPI, the Actuary has proposed reducing the long-term gap between RPI and CPI after 2030, resulting in an increase in the resulting CPI assumption post 2030 of 60 basis points compared with the prior year methodology to reflect increased clarity on the future of the RPI index.

The impact of the changes in approach when setting the inflation assumptions is expected to have been a £2.8m increase in the DBO, made up of a reduction of £3.0m from the change in IRP and an increase of £5.8m from the change in RPI-CPI wedge.

Covid-19/Mortality

For the accounting disclosure as at 31 July 2022 we have updated the demographic assumptions using the CMI_2020 model, allowing for a long-term rate of improvement of 1.25%, a smoothing parameter of 7.0, an initial addition parameter of 0.1% and a 2020 weighting of 10%. This update has been made in light of the coronavirus pandemic and reflects the latest information available from the CMI. The new CMI_2020 Model introduces a "2020 weight parameter" for the mortality data in 2020 so that some of the exceptional mortality experienced due to the coronavirus pandemic can be incorporated without having a disproportionate impact on results. Our view is that placing too much weight on the 2020 mortality experience would not be appropriate given the abnormality of the 2020 data. However, the overall outlook for best-estimate future mortality improvements looks less positive as a result of the pandemic, and so we have made partial allowance for this 2020 data when projecting future longevity improvements by using the CMI_2020 Model with a 2020 weight parameter of 10%. The effect on the Employer's liabilities of updating to the most recent model is an approximate decrease in the DBO of £1.3m. A separate adjustment was not required for assumptions made as at 31 July 2024.

The Strathclyde Pension Fund (SPF)

The University became an employing organisation within the Strathclyde Pension Fund (SPF) following a merger with the Northern College of Education in 2001. The scheme was closed to new entrants at the point of merger and as of 31 July 2024, there were 17 active members employed by the University. The Scheme provides benefits based on a final pensionable salary for employees of local government and some other institutions. It is possible to identify each institution's share of the underlying assets and liabilities of the scheme and hence contributions to the scheme are accounted for as if they were a defined benefit scheme.

The last triennial valuation undertaken was at 31 March 2023. The employer's contribution rate payable on members' pensionable salaries is 6.5%. The accounting standard FRS102 is designed to produce a net pension asset or liability calculated according to a prescribed method of valuation. In particular, the discount rate applied to pension scheme liabilities differs from that used in normal actuarial valuations to determine, inter alia, the scheme's required funding rate, and generally produce a higher value for scheme liabilities. The pension costs are determined with the advice of an independent qualified actuary on the basis of triennial valuation using the projected unit method. As a refund from the scheme would only be available if the University were to exit the scheme, any pension asset on the basis of this theoretical right to refund pension asset is valued in accordance with the cessation policy with the Strathclyde Pension Fund's Funding Strategy Statement.

29. Pension schemes - continued

Scheme Assets	2024	2023
	Fund Value	Fund Value
	£000	£000
Equities	15,565	14,151
Bonds	6,276	6,264
Property	2,260	2,320
Cash	1,004	464
	25,105	23,199

At 31 July 2024, the defined benefit surplus for the scheme was £9.0m (2023: surplus of £8.9m).

On 16 June 2023 there was a high court ruling in the Virgin Media v NTL Pension Trustees II Ltd (and others) case regarding the validity of amendments to post 6 April 1997 benefits in formerly contracted-out salary-related pension schemes. This ruling may have a potential future impact on the Local Government Pension Scheme benefits as the Local Government Pension scheme has made amendments since 1997 and these amendments did impact member benefits. The ruling was subject to appeal, but the Court of Appeal upheld the original ruling in July 2024. The Scheme actuaries have informed the University that it is currently unknown as to whether Section 37 certificates exist for prior amendments and that this is being investigated. As a result, it is unknown as to whether any potential remedy is required and no adjustments have been made to the financial statements.

The Scottish Teachers Superannuation Scheme (STSS)

The STSS is an unfunded defined benefit scheme. Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional assets value is ascribed to the scheme for the purposes of determining contribution rates.

Under the definitions set out in FRS102, the STSS is a multi-employer pension scheme. The University of Aberdeen is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the University has taken advantage of the exemption in FRS102 and has accounted for its contribution as if it were a defined contribution scheme. The scheme is subject to a report by the Government Actuary every five years.

The National Health Service Superannuation Scheme (NHSSS)

NHSSS is a multi-employer defined benefit pension scheme. Historically the scheme has operated on the basis that it is responsible only for the cost of the basic benefits payable to members and their dependents, with the cost of pension increases being met by the Exchequer. However, from 1 April 2004, the cost of pension increases has been met by an increase in the employers' contribution rate. This scheme is also accounted for as if it were a defined contribution scheme.

Additional Pension Payments

Following the merger with Northern College in 2001 the University is responsible for the payment of enhanced pensions to a number of former employees of the College, most of whom have been granted early retirement. An actuarial valuation of the liability was carried out as at 1 December 2001, the date of the merger between the University and Northern College. This valuation revealed a liability of £4.6m, which was incorporated into the accounts of the University at merger.

An actuarial valuation has been undertaken at 31 July 2024 as follows:

	2024	2023
Discount Rate	5.05%	5.3%
Pension Increases: Pre 2030:	2.3%	2.4%
Pension Increases: Post 2030	2.9%	3.0%

In order to maintain consistency with the approach adopted for previous years, all other assumptions, including demographic assumptions adopted are those used for the University of Aberdeen Superannuation and Life Assurance Scheme (UASLAS).

29. Pension schemes - continued

Membership statistics for former employees of the Northern College of education in receipt of a pension on 31 July are as follows:

		2024	2023
		£000	£000
Old Scheme	Academic staff	113	114
	Support staff	6	5
New Scheme	Academic staff	96	89
	Support staff	38	38
Total		253	246

Benefits to be valued

The pensions are paid to former employees of the Northern College of Education subject to the following terms:

- Pension increases are in line with statutory increases (currently CPI inflation);
- Spouses' pensions are 50% of members' pensions at date of death;
- For female member's, a spouse's pension is only payable if their pension commenced after 5 April 1988.

	2024	2023
Results	£000	£000
Liability on this basis at 31 July	1,590	1,670

Combined disclosures – Defined Benefit Schemes

The following amounts were measured in respect of UASLAS and SPF and have been recognised in the financial statements.

	2024	2023
	£000	£000
Analysis of amounts recognised in surplus/(deficit) for the year		
Employer service cost	2,518	3,861
Administrative costs	330	330
Net interest cost	127	119
	2,975	4,310
Analysis of other comprehensive (deficit)/income		
Actuarial (losses)/gains	(4,147)	39,246
Return on assets excluding amounts in net interest	1,991	(35,414)
	(2,156)	3,832
Analysis of amount shown in the statement of financial position:		
Actuarial value of scheme liabilities	(146,734)	(141,335)
Fair value of assets	141,989	137,958
Defined benefit liability at end of year	(4,745)	(3,377)

29. Pension schemes - continued

	2024 £000	2023 £000
Analysis of amount shown in the statement of financial position:		
Defined benefit liability at end of previous year	(3,377)	(6,805)
Current service cost	(2,518)	(3,861)
Past service cost	-	-
Net interest charge	(127)	(119)
Administrative costs	(330)	(330)
Employer contributions	3,763	3,906
Planned changes to schemes	-	-
Actuarial (loss)/gain	(2,156)	3,832
Defined benefit liability at end of year	(4,745)	(3,377)

Change in scheme assets:		
Fair value of assets at prior year end	137,958	171,227
Administrative expenses	(330)	(330)
Interest income	7,134	5,915
Actuarial (loss)/gain on assets	1,991	(35,414)
Employer contributions	3,755	3,906
Scheme participants contributions	237	190
Benefits paid from scheme assets	(8,756)	(7,536)
Fair value on assets at current year end	141,989	137,958

Change in actuarial value of scheme liabilities:		
Scheme liabilities at prior year end	141,335	178,032
Employer service cost	2,518	3,861
Interest cost	7,261	6,034
Scheme participants contributions	237	190
Loss on planned changes	-	-
Actuarial loss/(gain)	4,147	(39,246)
Benefits paid from scheme assets	(8,764)	(7,536)
Scheme liabilities at current year end	146,734	141,335

Five-year history of assets and liabilities:	2024 £000	2023 £000	2022 £000	2021 £000	2020 £000
Deficit in the schemes:					
Actuarial value of scheme liabilities	(146,734)	(141,335)	(178,032)	(222,989)	(227,787)
Fair value of assets	141,989	137,958	171,227	202,648	189,494
Deficit in the scheme	(4,745)	(3,377)	(6,805)	(20,341)	(38,293)

30. Lease obligations

Total rentals payable under operating leases:	2024	2023
	£000	£000
Payable during the year	247	311
Future minimum lease payments due:		
Not later than one year	175	171
Later than one year and not later than five years	425	40
	600	211

31. Subsidiary undertakings

The subsidiary companies, all of which are registered in Scotland, and are wholly owned by the University are as follows;

Company	Principal Activity
Rowett Research Institute Limited	Charitable research company
Aberdeen University Research & Innovation Services Limited	Dormant
King's College Centre Limited	Dormant
Aberdeen University Press Limited	Dormant

The registered address of all University subsidiaries is 37 Albyn Place, Aberdeen, AB10 1YN.

32. Financial instruments

Risk management

The University operates a centralised treasury management function which is responsible for managing the credit, liquidity, interest and foreign currency risk. These financial risks are managed within the parameters specified by the approved treasury management policy. The treasury management policy adopts the key recommendations of the Code of Practice on Treasury Management in Public Service as issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and is reviewed, updated and approved annually.

The University's principal financial instruments are cash, investments, loans and finance leases. The core objective of these financial instruments is to meet the financing needs of the University's operations and capital investment. Additionally, the University has other financial assets and liabilities arising directly from its operations i.e. trade debtors and creditors.

	Consolidated	University
	2024	2024
	£000	£000
Assets measured at fair value through income or expenditure		
- Amounts included in non-current assets (note 14)	66,264	80,517
- Current asset investments (note 18)	25,597	25,597
Assets measured at cost less impairment (note 17)	21,153	21,153
Liabilities (excluding loans) measured at amortised cost (note 19)	63,566	63,555
Loan commitments measured at amortised cost (note 20)		
- Loans	62,786	62,786
- Finance lease obligations	22,575	22,575

The fair value of financial assets at fair value through income or expenditure, is determined by reference to their quoted bid price at the statement of financial position date.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the University. The University's credit risk arises from bank balances, investments, student debtors and commercial organisations as customers. Management of credit risk is a prime objective of the Treasury Management Policy. At 31 July 2024, the maximum exposure is represented by the carrying value of each financial asset in the statement of financial position.

The credit risk of liquid funds and financial instruments is limited because the counterparties are banks with investment grade ratings assigned by international credit-rating agencies. The University's exposure and the credit ratings of its counterparties are monitored regularly. The credit exposure is limited by counter party limits and minimum counter party credit ratings set within the Treasury Management Policy.

Student and commercial debtors are reviewed on an on-going basis and a bad debt provision is made if recovery becomes uncertain. If a debtor is deemed irrecoverable it is written off. The concentration of risk is limited due to a large number of diverse customers across both student and commercial customer populations. The levels of outstanding debt reduced significantly during the year but continues to recognise that the risk of non-payment is heightened due to the current cost of living pressures and difficult economic climates in certain geographic areas. The bad debt provision was reduced by £0.4m during the year.

Liquidity risk

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities. Cash flow forecasts form part of the University planning process and are revised during the financial year with re-forecasts made as required. The University policy is to maintain an average cash balance equivalent to one month's core payroll and operating costs. Excess funds are invested to maximise the return whilst observing the Treasury Management Policy limits.

The long-term financing of the University has been secured by the private placement, the bank loan facility and finance lease in respect of student accommodation as detailed in note 20.

Foreign currency risk

Foreign currency risk refers to the risk that unfavourable movement in exchange rates may cause financial loss to the University. The University's principal foreign currency exposure is to the euro. The operating level of euros holding is reviewed on a monthly basis and after accounting for any forecast liabilities any surplus euros above this level are converted into sterling at spot rates.

Interest rate risk

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations of the value of statement of financial position items (i.e. price risk) or changes in interest income or expenses (i.e. re-investments risk). The interest rates attached to both the loan facility and private placement are fixed over the term. Most of the University cash deposits at the 31st July 2024 are on-call or on short-term deposit as these offer a competitive rate of return whilst offering liquidity. Such deposits have limited re-investment risk.

Financial instruments – fair values

The fair values of each category of the University's financial instruments are the same as their carrying value in the statement of financial position.

33. Trade Union Facility Time Reporting

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require that relevant public sector employers, including universities publish the amount and cost of Trade Union facility time on an annual basis.

The University recognises the following trade unions; University and College Union (UCU), Unison, Unite and Prospect.

Union representatives have a statutory right to reasonable time off for trade union duties and for trade union activities; however, there is no statutory right for the time off for activities to be paid (only union duties attract reasonable paid time off). The University has a Partnership Working and Recognition Agreement which sets out the formal framework of the partnership approach and details the arrangements for consultation and facility time. Facility time is the provision of paid or unpaid time off from an employee's normal role to undertake trade union duties and activities as a Trade Union representative.

The University's data for the period 1 April 2023 to 31 March 2024 is as follows:

	2024	2023
Trade union representatives		
Trade union representatives (headcount)	16.0	14.0
Trade union representatives (full time equivalent)	14.6	13.3
Percentage of time spent on facility time		
	%	%
0%	-	-
1 – 50%	16.0	14.0
51% - 99%	-	-
100%	-	-
	2024	2023
	£000	£000
Total pay bill and facility time costs (April 2023 to March 24)		
Total pay bill	143,122	125,700
Total cost of facility time	79	67
Percentage of pay bill spent on facility time	0.06%	0.05%
Paid trade union activities		
Hours spent on paid facility time	2,432	2,530
Hours spend on paid trade union activities	-	-
Percentage of total paid facility time hours spent on paid trade union activities	0.00%	0.00%

34. US Education Department Supplemental Schedule

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

The amounts presented within the schedules have been

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets
- prepared using UK GAAP, in accordance with FRS102 and the SORP: Accounting for Further and Higher Education (2019)
- are presented in pound sterling (GBP)

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

		2024	2023
		£000	£000
Primary Reserve Ratio			
	Expendable Net Assets	(53,869)	(15,550)
Net assets without donor restrictions	Income and expenditure reserve (SOFP)	214,134	139,592
	Revaluation reserve (SOFP)	161,189	165,401
Net assets with donor restrictions in perpetuity	Endowment assets (SOFP)	65,320	58,641
	Restricted permanent endowments (note 22)	(43,875)	(39,308)
	Unrestricted permanent endowments (note 22)	(21,442)	(19,211)
Term endowments with donor restrictions	Expendable endowments (note 22)	(3)	(122)
Restricted reserves	Restricted reserves (SOFP)	-	-
Net property plant and equipment (PPE)	Fixed assets – non-current assets (note 13)	498,271	(503,841)
Lease – right of use assets	Fixed assets – non-current assets (note 13)	(20,079)	(20,888)
Net PPE – pre-implementation lease	Fixed assets – non-current assets (note 13)	20,079	20,888
Intangible assets (goodwill)	Fixed assets – non-current assets (note 13)	-	-
Long term debt obtained for long term purposes	Loans (note 20)	62,786	93,072
Provision, post-employment and defined benefit plan	Pension provisions (note 21a)	6,335	90,493
Unsecured related parties' receivable	Related parties (note 27)	(42)	(267)
	Total Expenses and Losses	274,256	272,751
Total operating expenses without donor restrictions	Total expenditure (SOI) less endowments spend (note 22)	187,468	258,572
Pension provision adjustments	Note 21 a – USS	85,446	12,879
Loss on disposal of fixed assets	Statement of comprehensive income	-	9
Unrealised loss on revaluation of fixed assets	Statement of comprehensive income	728	717
Loss on investments	Statement of comprehensive income	-	-
Loss on investments (endowments - restricted)	Endowments (note 22)	-	-
Operational loss on joint venture	Statement of comprehensive income	614	574

34. US Education Department Supplemental Schedule - ctd

		2024 £000	2023 £000
Equity Ratio			
	Modified Net Assets	440,601	363,367
Net assets without donor restrictions	Income and expenditure reserve (SOFP)	214,134	139,592
	Revaluation reserve (SOFP)	161,189	165,401
Net assets with donor restrictions	Endowment assets (SOFP)	65,320	58,641
Restricted reserves	Restricted reserves (SOFP)	-	-
Intangible assets (goodwill)	Fixed assets – non-current assets (note 13)	-	-
Unsecured related parties' receivable	Related parties (note 27)	(42)	(267)
	Modified Assets	664,161	705,571
Total non-current assets	Statement of financial position	598,856	598,735
Total current assets	Statement of financial position	85,426	127,991
Intangible assets (goodwill)	Fixed assets – non-current assets (note 13)	-	-
Pre-implementation lease asset	Fixed assets – non-current assets (note 13)	(20,079)	(20,888)
Unsecured related parties' receivable	Related parties (note 27)	(42)	(267)
Net Income Ratio			
	Change in Net Assets with Donor Restrictions	70,330	11,549
	Total Revenue and Gains	261,296	267,589
Total income	Statement of comprehensive income	261,306	268,635
Restricted endowments and donations	Statement of comprehensive income	(197)	(94)
Restricted investment income	Endowments (note 22)	(1,244)	(944)
Gain on disposal of fixed assets	Statement of comprehensive income	1,054	-
Unrealised gain on revaluation of fixed assets	Statement of comprehensive income	-	-
Gain on investments	Statement of comprehensive income	7,172	312
Gain on investments (endowments - restricted)	Endowments (note 22)	(6,795)	(320)
Operational gain on joint venture	Statement of comprehensive income	-	-
Comprehensive Score			
Primary reserve ratio		(0.8)	(0.2)
Equity ratio		1.2	1.2
Net income ratio		2.9	0.7
Comprehensive score		3.3	1.7

PRINCIPAL ADVISORS

Auditor - External	EY LLP Atria One 144 Morrison Street Edinburgh EH3 8EX
Auditor - Internal	PricewaterhouseCoopers LLP 141 Bothwell Street Glasgow G2 7EQ
Bankers	Bank of Scotland 39 Albyn Place Aberdeen AB10 1YN
Legal Advisors	Shepherd and Wedderburn LLP 37 Albyn Place Aberdeen AB10 1YN
Taxation Advisors	PricewaterhouseCoopers LLP 141 Bothwell Street Glasgow G2 7EQ
Investment Advisors	Goldman Sachs International Plumtree Court 25 Shoe Lane London EC4A 4AU

GLOSSARY

Aberdeen 2040	The University's strategy for the 20-year period from 2020 to 2040
Athena Swan	Charter to encourage and recognise commitment to advancing the careers of women in science, technology, engineering, mathematics and medicine (STEMM) employment in higher education and research.
BBSRC	Biotechnology and Biological Sciences Research Council, part of UK Research and Innovation, is a non-departmental public body, and is the largest UK public funder of non-medical bioscience.
Audit & Risk Committee	A committee of Court that provides advice on the effectiveness of the University's procedures for audit, financial control, governance and risk management, and provides assurances in these key areas through its annual report to the Scottish Funding Council, which is approved by Court.
CMI Pension Mortality projections	Continuous Mortality Investigation – The CMI provides authoritative and independent mortality and sickness rate tables for UK life insurers and pension funds.
Commercialisation Committee	A committee of Court to oversee the development (and resourcing) of the University's strategic approach to commercialisation of research and innovation.
The Complete University Guide	The Complete University Guide is a UK-based ranking that assesses UK universities across a broad range of teaching and research indicators.
CWTS Leiden Rankings	Ranking that offers insights into scientific performance of over 1,500 major universities worldwide.
Financing and Resourcing Committee	A committee of Court to oversee the University's financial affairs with a focus on ensuring that University's approach to revenue, resource and capital planning mature in support of Aberdeen 2040.
FRS102	Financial Reporting Standard – single set of accounting standards developed by the Financial Reporting Council (FRC) that has replaced UK GAAP.
FTE	Full time equivalent - the hours worked by one employee on a full-time basis. The concept is used to convert the hours worked by several part-time employees into the hours worked by full-time employees.
General Council	Established by the Universities (Scotland) Act 1858 and consists of graduates and certain academic staff.
Governance and Nominations Committee	A committee of Court to advise on matters of governance and conduct reviews of the University's governance on its behalf.
HESA	The Higher Education Statistics Agency, experts in UK higher education data who collect, assure and disseminate data about higher education in the UK.
NHSSS	National Health Service Superannuation Scheme (UK)
National Student Survey (NSS)	The National Student Survey gathers opinions, from mainly final-year undergraduates, about their time in higher education. It is an influential source of public information about higher education and gives students a powerful collective voice to help shape the future of their course and their institution for current and prospective students.

OSCR	Office of the Scottish Charity Regulator – independent regulator and registrar of Scottish charities.
Pension Mortality Tables - S1NA ["light"] YoB	Standard Year of Birth mortality tables used for USS pension scheme. Tables are based on Normal Health pensioners.
Public Bodies Climate Change Duties (PBCCD) Framework	The duties require public bodies in Scotland to contribute to climate change mitigation and to climate change adaptation, and to act sustainably.
QS Sustainability Rankings	The QS sustainability rankings provide students with an insight as to how institutions are demonstrating a commitment to a more sustainable existence. The rankings evaluate the social and environmental impact of universities as centres of education and research, as well as major employers with operational sustainability of any large and complex organisation.
QS World University Rankings	The QS World University Rankings is an annual publication of university rankings which comprises the global overall and subject rankings (which name the world's top universities for the study of 48 different subjects and five composite faculty areas), alongside our independent regional tables (such as Asia, Latin America, Emerging Europe and Central Asia and the Arab Region). The QS World University Rankings is the most-widely read university rankings in the world.
Race Equality Charter	A framework set up by Advance HE through which institutions work to identify and self-reflect on institutional and cultural barriers standing in the way of Black, Asian and Minority Ethnic staff and students.
Remuneration Committee	A committee of Court to advise on matters relating to the pay and conditions of senior staff.
REF	Research Excellence Framework, an assessment of the quality of research in UK higher education institutions.
RESAS	Scottish Government's Rural and Environmental Sciences and Analytical Services Division.
Risk Management Framework	Conforms to globally recognised standards in risk management and widely accepted best practice.
Scope 1 Emissions	Scope 1 covers emissions from sources that an organisation owns or controls directly.
Scope 2 Emissions	Scope 2 are emissions that a company causes indirectly and come from where the energy it purchases and uses is produced.
Scope 3 Emissions	Scope 3 emissions refer to all indirect emissions that occur in an organisation's value chain. These included all emissions that occur in the upstream and downstream activities of an organisation.
Scottish Funding Council's(SFC's) Financial Memorandum	Sets out the formal accountability relationship between the SFC and institutions, and the requirements with which institutions are expected to comply in return of payment of grant by SFC.
Statement of Intent on Diversity	Adopted by Court within its membership, which includes a goal of achieving and maintaining female representation of a minimum of 25%, with aspirations to achieve 50% over the longer term.
Stonewall Workplace Equality Index	A benchmarking tool provided by Stonewall for employers to measure their progress on lesbian, gay, bi and trans inclusion in the workplace.

Senate	Responsible for the regulation and superintendence of teaching and for the promotion of research.
SPF	Strathclyde Pension Fund
STSS	Scottish Teachers' Superannuation Scheme
Sunday Times Good University Guide	The Times and The Sunday Times Good University Guide provides students and their parents with a first reference point on the path to finding a university place. It contains full profiles of all universities.
Times Higher Education University Impact Rankings	The Times Higher Education University Impact Rankings are global performance tables that assess universities against the United Nations' Sustainable Development Goals.
UASLAS	University of Aberdeen Superannuation & Life Assurance Scheme.
UCEA	The University Council for Educational Administration (UCEA) is a consortium of higher education institutions committed to advancing the preparation and practice of educational leaders for the benefit of schools and children.
UK GAAP	UK Generally Accepted Accounting Principles.
University Court	The executive governing body of the University that is charged with the administration and management of the revenue and property of the University.
University of Sanctuary	An award by the City of Sanctuary UK, given to universities in recognition of their commitment to creating a culture of welcome for people seeking sanctuary within, and beyond, their campuses.
United Nations Sustainable Development Goals	17 goals adopted by the United Nations as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.
US GAAP	United States Generally Accepted Accounting Principles.
USS	Universities' Superannuation Scheme