

# ANNUAL REPORT AND FINANCIAL STATEMENTS

**2024/25**



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# INTRODUCTION



## INTRODUCTION FROM THE PRINCIPAL

The past year has been one of significant achievement and transformation for Abertay University. Guided by our commitment to student experience, innovation and community engagement, we have continued to deliver on our strategic priorities while navigating a challenging external environment.

2024/25 has been another successful year for Abertay and I continue to be extremely proud of what my colleagues and our students have achieved. While continuing to strive for excellence in teaching and research, we have also continued to focus on growing our TNE (Transnational Education) partnerships across the world, delivering the Abertay Online offer, investing in home, UK and international student recruitment and embracing digital transformation for more effective working.

Our reputation as a leading modern university has been reaffirmed through national and international recognition. Abertay achieved another strong performance in the National Student Survey this year, recording an increase in our institutional score for overall student satisfaction from 81.5% last year to 82.6%, with our overall performance in the survey placing us among the UK's top 10 for student experience and satisfaction.

Our excellence in specialist areas was further highlighted by accolades such as UK Cyber University of the Year in the National Cyber Awards and ongoing recognition as the Top International School for Video Game design by the Princeton Review.

We have continued to see growth in our international partnerships, increasing the number of students registered on Abertay degrees at partner institutions in 2024/25, with an expanded offering in two of our existing partners and the addition of ten new partners this year, taking the total number of international partnerships to sixteen; a trend of growth that is set to continue into 2025/26 and beyond. While these activities are important to help us diversify our income and reduce reliance on the Scottish Funding Council, they also reflect Abertay's core purpose, to offer transformational opportunities to all those who can benefit.

Our excellence in research is reflected in the increased income and the award of prestigious research grants, such as our participation in the AHRC-funded CoSTAR project focusing on world-class research and development in screen and performance technology. Abertay leads the CoSTAR Realtime Lab based in Dundee as well as being a key partner in the CoSTAR National Network. This year saw the opening of CoSTAR's virtual production studio at Waters Edge in Dundee, marking the start of operations of this major infrastructure project, led by Abertay University, that will drive research, innovation and economic growth in Scotland's screen, games and immersive and performance industries.

This year saw continued investment in our campus. We renovated the ground floor of our Library building to serve as a dynamic hub aimed at providing both social and study areas for students, while also accommodating a range of multifunctional events throughout the academic year, including a new home for the Abertay Students' Association. We also redeveloped our Interpersonal Skills Suite, providing a much-improved environment for teaching of interpersonal

skill and therapeutic interventions and providing student placements to the benefit of the local community via our Wellbeing Clinic and Tayside Centre for Counselling. We added new leading-edge lab spaces to Abertay's national Centre for Excellence in Computer Games Education, supporting teaching and research activity for video games design and digital art.

Following positive and constructive consultation with staff on a new structure for our academic schools in 2023/24, this year saw our academic delivery coalesce around 2 new Faculties: The Faculty of Design Informatics and Business, home to our programmes in Games Design And Technology, AI/UX, Virtual Production, Cybersecurity, Computer Science, Computing, Business, Marketing, Accounting And Law; and the Faculty of Social and Applied Sciences, home to our programmes in Mental Health Nursing, Counselling, Criminology, Sociology, Psychology, Food Science, Civil & Environmental Engineering, Sport, Biomedical Science and Forensics. It is already clear that these changes better align our provision and our resources with the future shape of the University, with an increasing focus on flexible learning and a range of routes to our degrees, both in Dundee and with a growing number of partners elsewhere.

Despite financial pressures across the sector, including increased competition for students, UK government immigration policies presenting challenges to growing and maintaining on-campus international student populations, rising pension and national insurance costs and a 20% real terms reduction in the Scottish Government's funding for universities over the last decade, which is already £2,000 less per student each year than received by institutions in England, Abertay remains financially stable, with strong reserves and a clear focus on sustainability and strategic growth. We are actively engaged in sector-wide discussions on reform and shared services and continue to collaborate with city partners to support regional development.

Together, we remain committed to empowering our students, staff and partners to make a positive difference – in Dundee and Tayside as well as nationally and globally. I remain confident that with our plans for growth and the talent and professionalism of colleagues across the University, we will ensure that Abertay continues to thrive and has a bright and successful future.

# STRATEGIC REPORT



# STRATEGIC PLAN

## Background

This was the final year of our current Strategic Plan 2020:2025, as well as the year in which we saw a refresh of our Strategic Plan.

Our new Strategy 2025-30 has been developed through consultation with students, staff, Court and key stakeholders across Dundee and Tayside, including at 'all staff' sessions; through collection of online feedback; the inclusion of specific questions in our recent staff engagement survey; in discussion with students facilitated by the Students' Association; and a series of engagements with a range of external stakeholders.

## Purpose

The refreshed strategy affirms our purpose is:

- **To offer transformational opportunities** to everyone who has the potential to benefit from Abertay's approach to university education.
- **To inspire and empower our students, staff and graduates** to achieve their full potential, thrive in a digital world, and make a positive difference to the world around them.
- **To innovate in all aspects of our work**, fostering a culture of creativity and engaging in research and knowledge exchange which has real impact.
- **To work with our partners to prepare students for the world of work** and a lifelong journey of learning and growth, with a strong emphasis on sustainability and global engagement.

## Values

The strategy establishes our values, where we aim to be:

- **Inclusive** - equality of opportunity and inclusion are embedded in our ethos. We welcome staff and students from diverse communities and aim to put people at the heart of all we do.
- **Caring** - we believe in in treating all people, animals and our planet, with kindness and mutual respect.
- **Innovative** - we strive for excellence in all we do, aiming to provide a high-quality environment for our staff and students to flourish, where innovation is encouraged and progress is realised.
- **Collaborative** - we collaborate with others, both internally across our teams and externally with partners to support our ambitions, ensure professional excellence and customer service and enable our community to thrive.

Our values will guide us in all that we do and we will place these values at the centre of the implementation of our strategy.

## Themes

Abertay's Strategy 2025-30 has been developed around the following themes:

- **A sustainable future:** Our priority is to ensure that Abertay continues to thrive in 2030 and beyond, while protecting the core activities and Abertay ethos which have been at the heart of our success as a university for the last 30 years.
- **Student Experience and Successful Outcomes:** Our focus is to create the opportunities for all Abertay students to succeed within and beyond their university life. We will do this through the design of high-quality academic programmes that deliver an excellent student experience wherever our students may be studying, on campus, online, or at a partner institution.
- **Research with impact:** We are committed to producing quality research and knowledge exchange that is aligned with international, national and local priorities and delivers real impact for society; we will invest in research and knowledge exchange to strengthen our reputation in areas which enhance our academic programmes; and we will support staff to deliver high quality research output, knowledge exchange and impact, by harnessing cutting-edge technologies where appropriate that support researchers and drive innovation.
- **Our Organisation:** We will invest appropriately to ensure that our digital and physical infrastructure supports delivery of our priorities and promotes access, collaboration and efficiency, including automation where possible. We will seek to promote digital inclusion for our students; we will responsibly embrace and ethically apply artificial intelligence (AI) and other technologies, using the opportunities offered to enhance the way we teach, undertake research and improve the efficiency of our operations to enhance the staff and student experience; and we will progress our Estates masterplan developing the campus to provide a contemporary, innovative and attractive environment which is fit for the future and will contribute to our sustainable development goals.
- **Our People:** We know that our people are the heart of the University and that Abertay's success depends on the commitment and passion of our staff, working together towards a common purpose. We are committed to being an excellent employer, and to supporting staff development, engagement and empowerment to enable our people to thrive; we will create a culture which promotes and supports physical and mental wellbeing; we will continue to welcome and support staff from a wide range of backgrounds and personal characteristics; we are committed to the University having a positive impact on the communities we are part of.

## 2030 outcomes

By 2030, Abertay will:

- Continue to offer a broad portfolio, achieving an international reputation in a wider range of subjects.
- Have significantly increased the size of our student population, principally through growth in international partnerships and online students.
- Continue to deliver on our commitment to offer access to transformational opportunities with a stable core of on-campus home students.
- Work in partnership with our students to ensure high levels of student satisfaction and an increase in the proportion of students completing their degrees.

- Have transformed our business operations through the use of technology and, where appropriate, AI.
- Have made substantial progress towards net-zero, through the delivery of our estates ambitions.
- Continue to be recognised as an excellent employer, attracting and retaining the best staff, with a culture that promotes wellbeing and inclusivity, supports staff development and enables staff to thrive and contribute fully to the University community.
- Be financially stable with significant growth in income streams that are not from the Scottish Funding Council or Scottish Government.
- Have strengthened our reputation and recognition internationally.
- Continue to make a positive contribution to the communities around us.

## **Implementation**

Work to develop the detailed implementation framework is ongoing. A key element of this is the refresh and implementation of the supporting strategies:

- Civic Engagement Strategy (Civic Mission)
- Digital Strategy
- Estates Strategy
- Finance Strategy
- International and Partnerships Strategy
- People Strategy
- Research and Knowledge Exchange Strategy
- Student Success Strategy
- Sustainable Development Strategy

The supporting strategies are being reviewed and refreshed during 2025 to ensure alignment with our new University Strategy. We are developing a detailed implementation framework which will provide a bridge from the high-level strategy to the development of the University's operational plan for the next five years, setting out how the Strategy will be delivered and, through a revised set Key of Performance Indicators (KPIs), be monitored and reported upon.

# OPERATING REVIEW

## Overview of academic year 2024/25

The past year has been one of significant achievement and transformation for Abertay University. Guided by our commitment to student experience, innovation and community engagement, we have continued to deliver on our strategic priorities while navigating a challenging external environment.

Our learning and teaching portfolio continues to evolve in response to local and national needs, with around 5,000 students studying on campus, online and overseas. Our programmes span a wide range of disciplines, all designed to prepare students for the future world of work. Abertay remains focused on offering transformation opportunities and access to a university education, with a high proportion of students from Tayside and Fife, SIMD20 backgrounds and college articulation routes. We are strengthening our relationships, working closely with local colleges to improve articulation pathways, ensuring students from all backgrounds can thrive.

This year, Abertay University was ranked the top modern university in Scotland for student experience in The Times and Sunday Times Good University Guide 2026. Moving up 12 places in the overall rankings, Abertay also had a strong performance on the important measure of teaching quality, ranking 27th among the UK's 130 universities listed in the guide. That success is the latest in a year of positive results which saw Abertay sitting among the top 50 UK Universities as well as being named top Scottish modern university in the Guardian University Guide 2026. Additionally, Abertay registered a top Scottish modern hat-trick in the Complete University Guide 2026 on measures of student satisfaction, research intensity and facilities investment.

At subject level, The Times ranked Abertay top in the UK for teaching quality on our food science programmes, with Food Science and Psychology in the UK top five for both teaching quality and student experience and Biomedical Science also in the UK top five for teaching quality. Our Criminology and Psychology programmes were ranked top in Scotland for teaching quality. Abertay was also top in Scotland for student experience on both Food Science and Psychology programmes and top in Scotland for graduates' outcomes linked to our Games and Arts programmes. Both our criminology and sports sciences programmes were ranked top among Scottish modern universities, with Criminology, Sports Sciences, Food Science and Psychology programmes all ranking top for teaching quality and student experience among Scottish moderns. Abertay also ranked top Scottish modern for graduate prospects in games, biomedical sciences, computer science, criminology and sociology.

We continue to prioritise student support and wellbeing as a cornerstone of the Abertay experience. Our Student Services team handled over 20,000 enquiries and appointments this year and delivered more than 700 personalised support plans. The Student Enquiry Zone was recognised with Customer Service Excellence accreditation, reflecting our commitment to accessible, high-quality support. Mental health and counselling services remain vital, with over 600 students supported and 93% reporting a positive impact on their studies.

A new Student Success Strategy (2025–2030) is being developed to guide our future approach, with a strong emphasis on inclusive support and partnership working. Our Careers Service facilitated more than 600 work placements across the region, and of the 900 or so students who graduate each year, 95% progress into employment or further study - a testament to the strength of our academic and support ecosystem.

Innovation continues to drive our research and enterprise agenda. Abertay plays a pivotal role in the CoSTAR Network, the UK Government's largest investment in creative industries R&D, and our cyberQuarter initiative has already created over 430 jobs, with long-term impact projected across the Tay Cities region. Our Research and Knowledge Exchange income continues to grow through partnerships with funders such as Innovate UK, Horizon Europe and the Bill & Melinda Gates Foundation.

Abertay continues to play a vital civic role in Dundee and beyond. This year, our sport students delivered Active Schools sessions to over 1,000 pupils and hosted STEM events on campus to inspire young learners. Our researchers supported public services with gender bias training for Dundee City Council and cybersecurity education for the Scottish HE sectors. University sports clubs and societies continued to fundraise for local causes and our students also contributed through placements with third sector organisations such as Home Start, Victim Support and Women's Aid, while our staff engaged in volunteering and mentoring via MCR Pathways. We proudly supported Dundee Pride and showcased creativity through the Abertay Digital Graduate Show, V&A Dundee partnerships and the Dundee Design Festival. These initiatives reflect our commitment to inclusion, collaboration and making a meaningful difference in the communities we serve.

### **Student recruitment**

In 2023/24 we under-recruited to our non-controlled SFC funded places by 10% (332 FTE) and this shortfall is similar in 2024/25 (11% below places and 340 FTE). Several different factors contributed to this position, most importantly the fact that EU students are no longer funded by SFC and therefore the pool of eligible students reduced from 2021/22 onwards as EU students graduated and were not replaced. At the same time, the number of student places across the sector increased to mitigate the impact of the SQA results issues during the pandemic. This imbalance in the increased availability of places against a depleted supply of eligible applicants has intensified competition for recruitment of Scottish students.

In reviewing funding allocations for 2025/26, SFC removed the remaining additional places introduced during the pandemic and redistributed a further 326 places from five institutions with historic under-delivery to three institutions which have recruited significantly over their funded places. Overall Abertay's number of places have been reduced by 93 FTE for 2025/26.

In response to this challenging environment, additional recruitment and marketing activity took place in year and our efforts in Summer 2025 were keenly focused on converting applicants to entrants, an impact that is evident in the early indications of student numbers for the coming year.

After a slight drop in the number of students recruited from the rest of the UK in 2023/24 this returned to growth in 2024/25 which has sustained into 2025/26. International student numbers were relatively static in 2023/24 and dropped slightly in 2024/25, however targeted investment in this area has yielded significantly increased numbers in 2025/26.

### **Strategic partnerships**

Building on our successful growth in 2023/24 we continued to make significant progress in developing our international partnerships in 2024/25. The number of TNE partners who have enrolled students on Abertay degrees increased from six in 2023/24 to fifteen in 2024/25 and we have expanded two of our existing partnerships. We expect the number of partners and the range of programmes offered to continue to increase during 2025/26 with two new partners already approved and six more in active discussions.

During the development process, every proposed partnership is considered by the Senior Management Team to examine financial viability, educational fit, regulatory constraints, ethical considerations, potential health and safety issues and reputational risks, in line with our agreed approval processes; and is subject to academic approval by the Learning and Teaching Committee.

### **Abertay Online**

In 2024/25 Abertay Online offered a total of 14 programmes within three programme families: MSc Computer Science, MBA and MSc Engineering. Abertay Online recruited 392 new students in 2024-25, equivalent to 225 FTE.

### **Research and knowledge exchange**

As a continuing result of our outstanding performance in the 2021 Research Excellence Framework (REF), our Research Excellence Grant funding increased by a further 6%, which together with increased Research Postgraduate Grant and Knowledge Exchange & Innovation Funding contributed £2m SFC grant funding in 2024-25. We are aligning resources to support submission to the next REF in 2029, with a focus on generating high-quality outputs, developing impact case studies and enhancing our researcher environment and culture.

The Complete University Guide 2026 ranked Abertay University as the top Scottish Modern university for research intensity reflecting the breadth of high-quality research activity, with more than 100 active projects across our challenge spaces: Creative Industries & Cultural Vitality; Security, Equality & Social Justice; Health and Care Across the Lifespan; and Sustainable Development and Inclusive Living.

Abertay has successfully launched its first franchised Doctorate of Business Administration (DBA) with Westford University College (UAE), with the inaugural cohort now progressing into their second year of study. We continue to grow our reputation for research excellence, having secured additional studentship awards through the ESRC Doctoral Training Partnership (Scottish Graduate School for Social Sciences) and the Scottish Institute for Policing Research (SIPR).

As part of UKRI's Convergent Screen Technologies and Performance in Realtime (CoSTAR) programme, Abertay is leading the CoSTAR Realtime Lab, supported by £75.6 million in government funding and £63 million in new industry investment. This initiative will form the largest virtual production research and development network in Europe, with four other facilities across the UK. The project has now established its network infrastructure in Dundee at Water's Edge and in Edinburgh at First Stage Studios and has launched its first round of funded Challenge Projects to promote industry engagement with R&D-led innovation.

The Abertay cyberQuarter continues to bring together students, academics and organisations to address global cybersecurity challenges. Recent high-profile events include *Beyond Tech: Collaborative Strategies for Cyber Resilience in Scotland*, a joint cyberQuarter-Scottish Informatics and Computer Science Alliance (SICSA) meeting, featuring invited speakers, including from the Scottish Government. In collaboration with the EPSRC-funded Cybersecurity Research Network (CRANE), the cyberQuarter Director is working to strengthen partnerships with cybersecurity researchers across Scotland.

Technical capabilities within the cyberQuarter have been significantly enhanced through the development of three specialist labs: the Malware Lab (MAL), which now includes a malware repository to support malware analysis research as well as being used and to work on real-life malware problems with sector stakeholders; the Human Aspects Lab (HAL), that provides quantitative measures of human psychophysiological responses to stimuli, such as eye tracking when using user interfaces and a new Internet of Things (IoT) Lab currently under development. These facilities underpin a growing portfolio of doctoral research, including projects focused on malware reporting, deepfakes, digital forensics and IoT security.

A further nine PhD students are being recruited to expand our doctoral research capacity within the cyberQuarter, contributing to a vibrant and interdisciplinary research environment. Ongoing partner projects with Police Scotland, NCR Atleos, the Care Commission and Cylera continue to drive innovation, including Cylera's establishment of a virtual hospital network of medical IoT devices, together providing a unique testbed for cybersecurity research and doctoral training.

### **Developing our campus**

Reflecting our ongoing commitment to enhancing student life and supporting cutting-edge research and learning, this year we have invested meaningfully in our campus and digital infrastructure.

We redeveloped our Interpersonal Skills Suite, designed as a therapeutic clinical environment to be used by undergraduate and post graduate students to develop interpersonal skills and therapeutic interventions, providing the opportunity for the launch of a Well-being Clinic supplementing the existing Tayside Centre for Counselling, both offering opportunities for student placements as well as lifestyle advice and counselling to the local community.

We completed a major renovation of the ground floor of the Bernard King Library, creating a new home for the Abertay Students' Association with improved visibility and accessibility for student engagement. The redesigned space is a vibrant, multifunctional hub featuring a flexible amphitheatre-style events area for talks, workshops and social activities; a dedicated pop-up

zone for student clubs, societies and external organisations; and upgraded facilities including a new kitchen area, improved lift access and modernised toilets - all designed to foster collaboration and community-building.

We opened a new Competitive Games Lab within Abertay's Centre for Excellence in Computer Games Education, equipped with high-spec gaming PCs to support teaching, research and playtesting. The lab enables exploration of key industry themes such as esports security, inclusive game design and player interaction dynamics, reinforcing our position as a leader in games education and innovation.

Our Estates vision includes working with Dundee City Council, Dundee & Angus College and other city partners on plans to catalyse a heat network using sewer-sourced heat, to be located in a subterranean energy centre, above which we would like to develop a new Health & Wellbeing hub including sports facilities, which as well as enhancing the student experience would provide shared civic and community use facilities.

### **Equality, Diversity and Inclusion**

Equality of opportunity and inclusion are embedded in Abertay's ethos. The University values and promotes Equality, Diversity and Inclusion (EDI) for staff and students. The University believes that all employees and students have the right to expect, and that it has a responsibility to ensure, that no individual will be disadvantaged because of their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

The University benefits from having employees and students from many and varied nationalities, cultures and backgrounds. The University confirms its commitment to a policy of equal opportunities in its selection, recruitment and treatment of students and employees. The University aims to ensure that all individuals are treated with dignity and respect and is committed to fulfilling its obligations under the Public Sector Equality Duty to ensure an environment where unlawful discrimination is not tolerated; to tackle prejudice and to promote understanding; and to foster good relations between people from different groups, characteristics and backgrounds. The University publishes an Equality Mainstreaming Report every two years, setting out our outcomes, progress and equality data on staff and students.

EDI is explicit in the University's Values and is embedded in our supporting strategies. EDI is one of the five strategic objectives in our People Strategy and is a key aspect of our Student Success, Research & Knowledge Exchange, Digital and Estate strategies.

The University holds Bronze Awards under the Advance HE Athena Swan Charter, for the promotion of gender equality and Race Equality Charter. We are committed to continuous work to improve equality, diversity and inclusion and an important aspect of this is our Lead Voices initiative, where staff volunteer to act as voices for the different protected characteristic groups – articulating staff views and contributing to equality impact assessment of university policies and decisions. In November 2024 we held our third annual 'Diversity Fest' exploring and celebrating EDI.

In relation to employment of disabled persons, in addition to the commitments above, the University's Equality and Diversity Policy sets out our commitment to ensure that all employees (and students) have equal access to university facilities where possible and to making reasonable adjustments where appropriate to ensure that this can be achieved. The University's Occupational Health service provides advice, information and support to disabled staff and to managers in support of disabled staff, including advice and assistance with reasonable adjustments and liaison with Access to Work. Similarly, the Student Advisory Service can implement a Support and Development Plan which has reasonable adjustments to support students within the teaching and learning environment. The University agreed a revised [British Sign Language Action Plan](#) in 2024.

Abertay has been awarded The Frank Buttle Trust Quality Mark for its efforts to support young people moving from local authority care to higher education and a range of specialist support is provided through our Student Services.

### **Fair Work practices**

Abertay is an accredited Living Wage Employer. The University achieved a Scottish Health Working Lives Gold Award and has continued to apply the Healthy Working Lives principles since the award scheme was discontinued.

The University has recognition agreements with two trade unions, UCU and Unite and meets regularly with the trade union representatives for consultation and collective bargaining and to ensure that staff have an effective voice. The University undertakes full staff engagement surveys every two years and has established mechanisms for staff engagement action planning and progress through local and University Staff Wellbeing, Engagement and Empowerment Teams. In addition, the University's Lead Voices for different equality protected characteristics ensure effective advocacy for our diverse community.

The University provides extensive access to training and professional development opportunities through People Services, Abertay Learning Enhancement (AbLE) Academy, the Graduate School, the Teaching Enhanced Learning Support team, IT Services and others. The University's Development Discussions scheme ensures that all staff can discuss their development annually.

The University offers flexible working and has a Hybrid Working Policy. The large majority of staff are salaried and have indefinite contracts, with zero hours and fixed-term contracts only used where appropriate. In addition to generous annual leave, the University provides paid leave to support staff in a range of circumstances, including Carer's Leave, Emergency Time Off for Dependents and compassionate leave.

The University is engaged in a wide range of action to promote equality and an inclusive workplace, as outlined above.

### **Environmental sustainability**

The University's Sustainable Development Strategy 2023-2030 was approved by Court in June 2023 following widespread engagement and consultation across the University. It sets out the

way in which the University will contribute to a sustainable future through four strands of activity centred around:

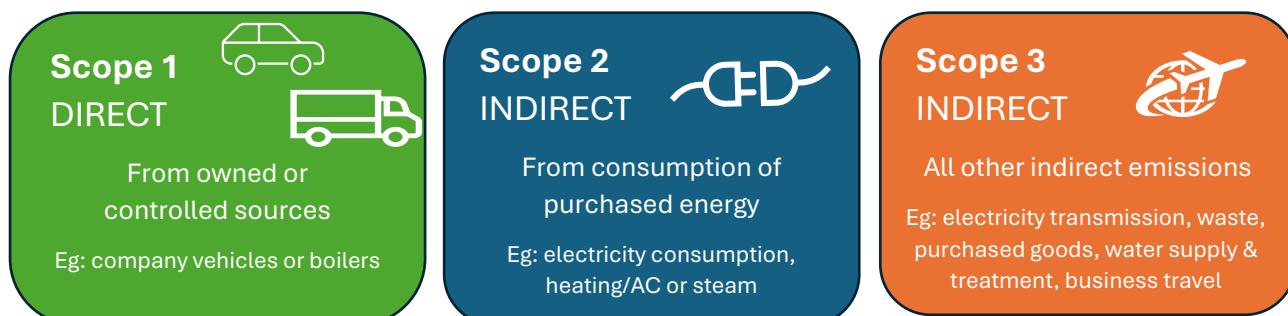
- **Teaching, Learning and Students:** Abertay will embed sustainability principles into curricula, empower students to be sustainability leaders and promote inclusive, flexible and digitally supported learning. The University will also partner with professional bodies and sectors to support upskilling and just transition.
- **Research and Knowledge Exchange:** The University will drive interdisciplinary research that addresses real-world sustainability challenges. Through civic engagement, collaboration and responsible research practices, Abertay aims to contribute impactful solutions aligned with the SDGs.
- **Responsible Campus Operations:** Abertay commits to transforming its estate and operations to meet sustainability targets, including eliminating fossil fuels for heating, reducing travel emissions, embedding ethical procurement and enhancing digital efficiency.
- **Community Engagement:** As an anchor institution, Abertay will lead and collaborate on place-based sustainability initiatives, support local organisations and promote social value through outreach, partnerships and access to university resources.

Abertay's strategic approach to sustainability is built on embedding the principles of the SDGs into governance, operations and culture. The strategy prioritises:

1. Net-zero carbon emissions by 2038
2. Integration of sustainability across teaching, research and campus operations
3. Community engagement and civic responsibility
4. Sustainable procurement and travel policies
5. Alignment with local and national climate action plans

Along with all of Abertay's other supporting strategies, our Sustainable Development Strategy will be reviewed and refreshed during the latter part of 2025 to ensure alignment with our new University Strategy 2025-2030 and to develop a coherent implementation framework, setting out how our sustainability journey will be delivered and, through a revised set Key Performance Indicators (KPIs), be monitored and reported upon.

Abertay University complies with Scottish Government sustainability reporting in line with the requirements of the Climate Change (Scotland) Act 2009, disclosing our carbon emissions within the three scopes of emissions:



For many years, our reporting has fully captured our Scope 1 and 2 emissions and has gradually expanded the range of Scope 3 emissions, beyond electricity transmission, waste creation, water treatment and water consumption to now include transport, business travel and supply chain; and this, for the first time, includes staff and student commuting.

| Energy use and greenhouse gas emissions |                |         |                 |           |                                |         |
|---|----------------|---------|-----------------|-----------|--------------------------------|---------|
| Source                                  | Units          | Scope   | Consumption     |           | Emissions (tCO <sub>2</sub> e) |         |
|   |                |         | 2024/25         | 2023/24   | 2024/25                        | 2023/24 |
| Gas                                     | kWh            | Scope 1 | 4,257,873       | 4,089,048 | 779                            | 748     |
| Electricity consumption                 | kWh            | Scope 2 | 2,707,477       | 1,989,286 | 479                            | 412     |
| Electricity transmission                | kWh            | Scope 3 | 2,707,477       | 1,989,286 | 50                             | 36      |
| Waste – paper                           | tonnes         | Scope 3 | 1               | 4         | -                              | -       |
| Waste - mixed                           | tonnes         | Scope 3 | 48              | 47        | -                              | -       |
| Water                                   | m <sup>3</sup> | Scope 3 | 9526            | 11,088    | 1                              | 1       |
| Transport - flights                     | passenger km   | Scope 3 | 1,337,395       | 1,255,446 | 170                            | 105     |
| Transport - rail                        | passenger km   | Scope 3 | 209,846         | 205,591   | 7                              | 7       |
| Hotel stays - UK                        | Room per night | Scope 3 | 566             | 607       | 6                              | 6       |
| AV & multimedia                         | tonnes         | Scope 3 | 464             | 280       | 464                            | 280     |
| Homeworking - staff                     | FTE working hr | Scope 3 | 272,458         | 369,824   | 91                             | 123     |
| Homeworking – students                  | FTE working hr | Scope 3 | 2,562,425       | 2,247,500 | 855                            | 750     |
| Staff Commuting*                        | Passenger km   | Scope 3 |                 |           | 536                            | N/A     |
| Student Commuting*                      | passenger km   | Scope 3 | Hybrid measures |           | 3,351                          | N/A     |
| Other supply chain                      | spend          | Scope 3 |                 |           | 5,881                          | 5,821   |

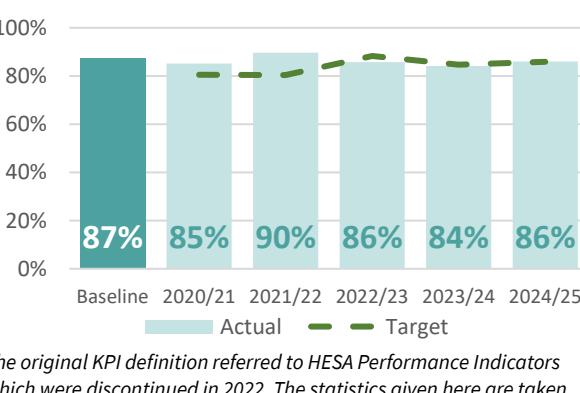
\* Categories added in year

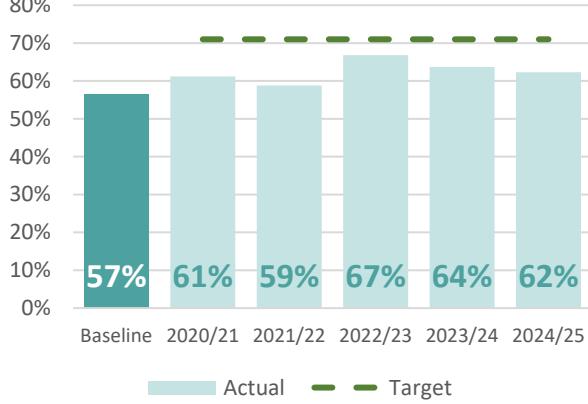
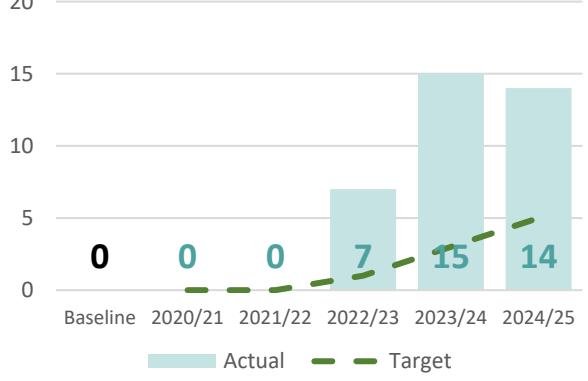
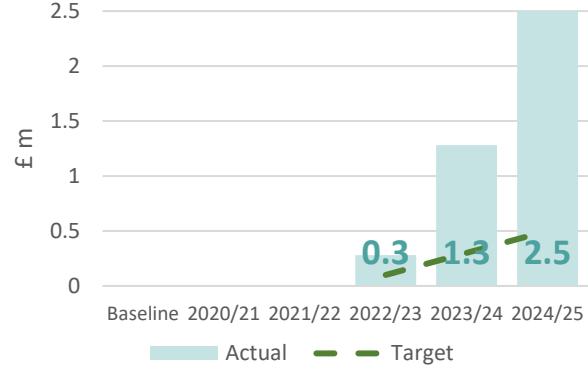
|   |                  |  |  |              |              |
|---|------------------|--|--|--------------|--------------|
| <b>Total recorded greenhouse gas emissions excluding categories added in-year</b> |                  |  |  | <b>8,783</b> | <b>8,289</b> |
| Space related emissions   | tCO <sub>2</sub> |  |  | 1,308        | 1,197        |
| Gross internal area   | m <sup>2</sup>   |  |  | 38,896       | 38,896       |
| <b>Intensity ratio</b>  |                  |  |  | <b>0.03</b>  | <b>0.03</b>  |
| People related emissions  | tCO <sub>2</sub> |  |  | 7,181        | 7,092        |
| Staff numbers   | average FTE      |  |  | 448          | 434          |
| <b>Intensity ratio</b>  |                  |  |  | <b>16.02</b> | <b>16.34</b> |

|   |                  |                                      |  |               |
|---|------------------|--------------------------------------|--|---------------|
| <b>Total recorded greenhouse gas emissions including categories added in-year</b> |                  |                                      |  | <b>12,670</b> |
| Space related emissions   | tCO <sub>2</sub> |                                      |  | 1,308         |
| Gross internal area   | m <sup>2</sup>   |                                      |  | 38,896        |
| <b>Intensity ratio</b>  |                  | <b>tCO<sub>2</sub>/m<sup>2</sup></b> |  | <b>0.03</b>   |
| People related emissions  | tCO <sub>2</sub> |                                      |  | 11,068        |
| Staff numbers   | average FTE      |                                      |  | 448           |
| <b>Intensity ratio</b>  |                  |                                      |  | <b>24.71</b>  |

## 2024/25 Key Performance Indicators

KPIs associated with Abertay University's Strategic Plan 2020-2025:

| <span style="color: green; font-size: 2em; vertical-align: middle;">↔</span> <b>GREEN</b> <p><b>% of Scottish-domiciled undergraduate entrants from disadvantaged backgrounds (i.e. eligible to receive a contextual offer)</b></p> <p>This measure is 16.2 percentage points above the 2025 target.</p>  |  <table border="1"> <thead> <tr> <th>Year</th> <th>Actual (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>Baseline</td> <td>20%</td> <td>20%</td> </tr> <tr> <td>2020/21</td> <td>19%</td> <td>20%</td> </tr> <tr> <td>2021/22</td> <td>19%</td> <td>20%</td> </tr> <tr> <td>2022/23</td> <td>19%</td> <td>20%</td> </tr> <tr> <td>2023/24</td> <td>29%</td> <td>20%</td> </tr> <tr> <td>2024/25</td> <td>36%</td> <td>20%</td> </tr> </tbody> </table>   | Year       | Actual (%)    | Target (%) | Baseline      | 20%      | 20% | 2020/21 | 19%   | 20%     | 2021/22 | 19% | 20%   | 2022/23 | 19% | 20% | 2023/24 | 29%     | 20% | 2024/25 | 36%   | 20%     |     |     |       |         |     |     |       |
|---|---|------------|---------------|------------|---------------|----------|-----|---------|-------|---------|---------|-----|-------|---------|-----|-----|---------|---------|-----|---------|-------|---------|-----|-----|-------|---------|-----|-----|-------|
| Year  | Actual (%)  | Target (%) |               |            |               |          |     |         |       |         |         |     |       |         |     |     |         |         |     |         |       |         |     |     |       |         |     |     |       |
| Baseline  | 20%   | 20%        |               |            |               |          |     |         |       |         |         |     |       |         |     |     |         |         |     |         |       |         |     |     |       |         |     |     |       |
| 2020/21   | 19%   | 20%        |               |            |               |          |     |         |       |         |         |     |       |         |     |     |         |         |     |         |       |         |     |     |       |         |     |     |       |
| 2021/22   | 19%   | 20%        |               |            |               |          |     |         |       |         |         |     |       |         |     |     |         |         |     |         |       |         |     |     |       |         |     |     |       |
| 2022/23   | 19%   | 20%        |               |            |               |          |     |         |       |         |         |     |       |         |     |     |         |         |     |         |       |         |     |     |       |         |     |     |       |
| 2023/24   | 29%   | 20%        |               |            |               |          |     |         |       |         |         |     |       |         |     |     |         |         |     |         |       |         |     |     |       |         |     |     |       |
| 2024/25   | 36%   | 20%        |               |            |               |          |     |         |       |         |         |     |       |         |     |     |         |         |     |         |       |         |     |     |       |         |     |     |       |
| <span style="color: orange; font-size: 2em; vertical-align: middle;">↔</span> <b>AMBER</b> <p><b>% of students satisfied with the overall quality of their course (National Student Survey)</b></p> <p>This score is 2.3 percentage points above the Scottish sector average (80.3%). Our performance has been consistently strong in recent years, however as it falls short of the 89% target (Abertay's score from the 2019/20 survey, but now well above the sector benchmark) it is rated amber.</p>         |  <table border="1"> <thead> <tr> <th>Year</th> <th>Actual (%)</th> <th>Target (%)</th> <th>Benchmark (%)</th> </tr> </thead> <tbody> <tr> <td>Baseline</td> <td>87%</td> <td>89%</td> <td>80.3%</td> </tr> <tr> <td>2020/21</td> <td>79%</td> <td>89%</td> <td>80.3%</td> </tr> <tr> <td>2021/22</td> <td>81%</td> <td>89%</td> <td>80.3%</td> </tr> <tr> <td>2022/23</td> <td>84%</td> <td>89%</td> <td>80.3%</td> </tr> <tr> <td>2023/24</td> <td>82%</td> <td>89%</td> <td>80.3%</td> </tr> <tr> <td>2024/25</td> <td>82%</td> <td>89%</td> <td>80.3%</td> </tr> </tbody> </table>   | Year       | Actual (%)    | Target (%) | Benchmark (%) | Baseline | 87% | 89%     | 80.3% | 2020/21 | 79%     | 89% | 80.3% | 2021/22 | 81% | 89% | 80.3%   | 2022/23 | 84% | 89%     | 80.3% | 2023/24 | 82% | 89% | 80.3% | 2024/25 | 82% | 89% | 80.3% |
| Year  | Actual (%)  | Target (%) | Benchmark (%) |            |               |          |     |         |       |         |         |     |       |         |     |     |         |         |     |         |       |         |     |     |       |         |     |     |       |
| Baseline  | 87%   | 89%        | 80.3%         |            |               |          |     |         |       |         |         |     |       |         |     |     |         |         |     |         |       |         |     |     |       |         |     |     |       |
| 2020/21   | 79%   | 89%        | 80.3%         |            |               |          |     |         |       |         |         |     |       |         |     |     |         |         |     |         |       |         |     |     |       |         |     |     |       |
| 2021/22   | 81%   | 89%        | 80.3%         |            |               |          |     |         |       |         |         |     |       |         |     |     |         |         |     |         |       |         |     |     |       |         |     |     |       |
| 2022/23   | 84%   | 89%        | 80.3%         |            |               |          |     |         |       |         |         |     |       |         |     |     |         |         |     |         |       |         |     |     |       |         |     |     |       |
| 2023/24   | 82%   | 89%        | 80.3%         |            |               |          |     |         |       |         |         |     |       |         |     |     |         |         |     |         |       |         |     |     |       |         |     |     |       |
| 2024/25   | 82%   | 89%        | 80.3%         |            |               |          |     |         |       |         |         |     |       |         |     |     |         |         |     |         |       |         |     |     |       |         |     |     |       |
| <span style="color: orange; font-size: 2em; vertical-align: middle;">↔</span> <b>AMBER</b> <p><b>% Scottish-domiciled full-time first-degree entrants returning to study in year 2</b></p> <p>Improving retention remains a priority for the University. Following a dip in 2024, rates have risen - by 0.7 percentage points across Scottish universities and 1.8 at Abertay. Although the KPI sits above the sector benchmark of 85.9%, it sits just below the 2019–20 baseline of 87.2%, so is rated amber</p> |  <table border="1"> <thead> <tr> <th>Year</th> <th>Actual (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>Baseline</td> <td>87%</td> <td>89%</td> </tr> <tr> <td>2020/21</td> <td>85%</td> <td>89%</td> </tr> <tr> <td>2021/22</td> <td>90%</td> <td>89%</td> </tr> <tr> <td>2022/23</td> <td>86%</td> <td>89%</td> </tr> <tr> <td>2023/24</td> <td>84%</td> <td>89%</td> </tr> <tr> <td>2024/25</td> <td>86%</td> <td>89%</td> </tr> </tbody> </table> <p><i>The original KPI definition referred to HESA Performance Indicators which were discontinued in 2022. The statistics given here are taken from data published alongside SFC's Report on Widening Access (July 2025) and the baseline has been restated using this metric.</i></p> | Year       | Actual (%)    | Target (%) | Baseline      | 87%      | 89% | 2020/21 | 85%   | 89%     | 2021/22 | 90% | 89%   | 2022/23 | 86% | 89% | 2023/24 | 84%     | 89% | 2024/25 | 86%   | 89%     |     |     |       |         |     |     |       |
| Year  | Actual (%)  | Target (%) |               |            |               |          |     |         |       |         |         |     |       |         |     |     |         |         |     |         |       |         |     |     |       |         |     |     |       |
| Baseline  | 87%   | 89%        |               |            |               |          |     |         |       |         |         |     |       |         |     |     |         |         |     |         |       |         |     |     |       |         |     |     |       |
| 2020/21   | 85%   | 89%        |               |            |               |          |     |         |       |         |         |     |       |         |     |     |         |         |     |         |       |         |     |     |       |         |     |     |       |
| 2021/22   | 90%   | 89%        |               |            |               |          |     |         |       |         |         |     |       |         |     |     |         |         |     |         |       |         |     |     |       |         |     |     |       |
| 2022/23   | 86%   | 89%        |               |            |               |          |     |         |       |         |         |     |       |         |     |     |         |         |     |         |       |         |     |     |       |         |     |     |       |
| 2023/24   | 84%   | 89%        |               |            |               |          |     |         |       |         |         |     |       |         |     |     |         |         |     |         |       |         |     |     |       |         |     |     |       |
| 2024/25   | 86%   | 89%        |               |            |               |          |     |         |       |         |         |     |       |         |     |     |         |         |     |         |       |         |     |     |       |         |     |     |       |

| <b>RED</b><br>     | <p><b>% of graduate students employed in graduate level jobs (Graduate Outcomes survey)</b></p> <p>Although the specific KPI outcome falls below target, it is worth noting that 93.1% of Abertay graduates are in employment or further study.</p> <p>Employability remains a priority, with actions underway to further embed it in the curriculum.</p> <p>Disappointingly, the local labour market offers fewer graduate-level roles than larger Scottish cities, and many Abertay students face mobility constraints due to family, caring responsibilities, or disabilities.</p> |  <table border="1"> <thead> <tr> <th>Year</th> <th>Actual (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>Baseline</td> <td>57%</td> <td>70%</td> </tr> <tr> <td>2020/21</td> <td>61%</td> <td>70%</td> </tr> <tr> <td>2021/22</td> <td>59%</td> <td>70%</td> </tr> <tr> <td>2022/23</td> <td>67%</td> <td>70%</td> </tr> <tr> <td>2023/24</td> <td>64%</td> <td>70%</td> </tr> <tr> <td>2024/25</td> <td>62%</td> <td>70%</td> </tr> </tbody> </table> | Year | Actual (%) | Target (%) | Baseline | 57% | 70% | 2020/21 | 61% | 70% | 2021/22 | 59% | 70% | 2022/23 | 67% | 70% | 2023/24 | 64% | 70% | 2024/25 | 62% | 70% |
|---|---|--|------|------------|------------|----------|-----|-----|---------|-----|-----|---------|-----|-----|---------|-----|-----|---------|-----|-----|---------|-----|-----|
| Year  | Actual (%)  | Target (%)   |      |            |            |          |     |     |         |     |     |         |     |     |         |     |     |         |     |     |         |     |     |
| Baseline  | 57%   | 70%  |      |            |            |          |     |     |         |     |     |         |     |     |         |     |     |         |     |     |         |     |     |
| 2020/21   | 61%   | 70%  |      |            |            |          |     |     |         |     |     |         |     |     |         |     |     |         |     |     |         |     |     |
| 2021/22   | 59%   | 70%  |      |            |            |          |     |     |         |     |     |         |     |     |         |     |     |         |     |     |         |     |     |
| 2022/23   | 67%   | 70%  |      |            |            |          |     |     |         |     |     |         |     |     |         |     |     |         |     |     |         |     |     |
| 2023/24   | 64%   | 70%  |      |            |            |          |     |     |         |     |     |         |     |     |         |     |     |         |     |     |         |     |     |
| 2024/25   | 62%   | 70%  |      |            |            |          |     |     |         |     |     |         |     |     |         |     |     |         |     |     |         |     |     |
| <b>GREEN</b><br> | <p><b>Number of online qualifications</b></p> <p>Programme numbers remain steady for 2024/25, with growth in Abertay Online registrations - 225 FTE as of June 2025, up from 120 FTE in 2023/24, with one more intake still to be counted.</p>  |  <table border="1"> <thead> <tr> <th>Year</th> <th>Actual</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>Baseline</td> <td>0</td> <td>0</td> </tr> <tr> <td>2020/21</td> <td>0</td> <td>0</td> </tr> <tr> <td>2021/22</td> <td>0</td> <td>0</td> </tr> <tr> <td>2022/23</td> <td>7</td> <td>7</td> </tr> <tr> <td>2023/24</td> <td>15</td> <td>15</td> </tr> <tr> <td>2024/25</td> <td>14</td> <td>14</td> </tr> </tbody> </table>                            | Year | Actual     | Target     | Baseline | 0   | 0   | 2020/21 | 0   | 0   | 2021/22 | 0   | 0   | 2022/23 | 7   | 7   | 2023/24 | 15  | 15  | 2024/25 | 14  | 14  |
| Year  | Actual  | Target   |      |            |            |          |     |     |         |     |     |         |     |     |         |     |     |         |     |     |         |     |     |
| Baseline  | 0   | 0  |      |            |            |          |     |     |         |     |     |         |     |     |         |     |     |         |     |     |         |     |     |
| 2020/21   | 0   | 0  |      |            |            |          |     |     |         |     |     |         |     |     |         |     |     |         |     |     |         |     |     |
| 2021/22   | 0   | 0  |      |            |            |          |     |     |         |     |     |         |     |     |         |     |     |         |     |     |         |     |     |
| 2022/23   | 7   | 7  |      |            |            |          |     |     |         |     |     |         |     |     |         |     |     |         |     |     |         |     |     |
| 2023/24   | 15  | 15   |      |            |            |          |     |     |         |     |     |         |     |     |         |     |     |         |     |     |         |     |     |
| 2024/25   | 14  | 14   |      |            |            |          |     |     |         |     |     |         |     |     |         |     |     |         |     |     |         |     |     |
| <b>GREEN</b><br> | <p><b>Income from new online and franchise provision</b></p> <p>This increased income demonstrates the significant increase in partnerships and students registered at partners in 2024/25, as well as the expansion of existing partnerships. Further growth planned is for 2025/26.</p>   |  <table border="1"> <thead> <tr> <th>Year</th> <th>Actual</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>Baseline</td> <td>0.3</td> <td>0</td> </tr> <tr> <td>2020/21</td> <td>1.3</td> <td>1.3</td> </tr> <tr> <td>2021/22</td> <td>2.5</td> <td>2.5</td> </tr> </tbody> </table>   | Year | Actual     | Target     | Baseline | 0.3 | 0   | 2020/21 | 1.3 | 1.3 | 2021/22 | 2.5 | 2.5 |         |     |     |         |     |     |         |     |     |
| Year  | Actual  | Target   |      |            |            |          |     |     |         |     |     |         |     |     |         |     |     |         |     |     |         |     |     |
| Baseline  | 0.3   | 0  |      |            |            |          |     |     |         |     |     |         |     |     |         |     |     |         |     |     |         |     |     |
| 2020/21   | 1.3   | 1.3  |      |            |            |          |     |     |         |     |     |         |     |     |         |     |     |         |     |     |         |     |     |
| 2021/22   | 2.5   | 2.5  |      |            |            |          |     |     |         |     |     |         |     |     |         |     |     |         |     |     |         |     |     |

| <span style="font-size: 2em; color: #2e6b2e;">↑</span> <b>GREEN</b> | <p><b>Research grant and contract income</b></p> <p>From 2019/20's baseline five-year rolling average income of £1.3m, the rolling average has grown consistently over the period, with this year's rolling average of £2.9m exceeding the targeted 25% increase in income over the 5-year strategic plan period.</p>  | <table border="1"> <thead> <tr> <th>Year</th> <th>Rolling five-year actual (£m)</th> <th>Rolling five-year target (£m)</th> </tr> </thead> <tbody> <tr><td>Baseline 2020/21</td><td>1.3</td><td>1.6</td></tr> <tr><td>2021/22</td><td>2.0</td><td>1.8</td></tr> <tr><td>2022/23</td><td>2.2</td><td>2.1</td></tr> <tr><td>2023/24</td><td>2.5</td><td>2.4</td></tr> <tr><td>2024/25</td><td>2.6</td><td>2.9</td></tr> </tbody> </table> | Year | Rolling five-year actual (£m) | Rolling five-year target (£m) | Baseline 2020/21 | 1.3   | 1.6   | 2021/22 | 2.0   | 1.8   | 2022/23 | 2.2   | 2.1   | 2023/24 | 2.5   | 2.4   | 2024/25 | 2.6   | 2.9   |
|---|--|---|------|-------------------------------|-------------------------------|------------------|-------|-------|---------|-------|-------|---------|-------|-------|---------|-------|-------|---------|-------|-------|
| Year  | Rolling five-year actual (£m)  | Rolling five-year target (£m)   |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| Baseline 2020/21  | 1.3  | 1.6   |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| 2021/22   | 2.0  | 1.8   |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| 2022/23   | 2.2  | 2.1   |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| 2023/24   | 2.5  | 2.4   |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| 2024/25   | 2.6  | 2.9   |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| <span style="font-size: 2em; color: #2e6b2e;">↑</span> <b>GREEN</b> | <p><b>Income from knowledge exchange activity</b></p> <p>From 2019/20's baseline five-year rolling average income of £0.8m, the rolling average has grown consistently over the period, with this year's rolling average of £2.4m exceeding the targeted increase in income over the 5-year strategic plan period.</p> | <table border="1"> <thead> <tr> <th>Year</th> <th>Rolling five-year actual (£m)</th> <th>Rolling five-year target (£m)</th> </tr> </thead> <tbody> <tr><td>Baseline 2020/21</td><td>0.8</td><td>1.0</td></tr> <tr><td>2021/22</td><td>1.3</td><td>1.2</td></tr> <tr><td>2022/23</td><td>1.6</td><td>1.4</td></tr> <tr><td>2023/24</td><td>2.0</td><td>1.8</td></tr> <tr><td>2024/25</td><td>2.3</td><td>2.4</td></tr> </tbody> </table> | Year | Rolling five-year actual (£m) | Rolling five-year target (£m) | Baseline 2020/21 | 0.8   | 1.0   | 2021/22 | 1.3   | 1.2   | 2022/23 | 1.6   | 1.4   | 2023/24 | 2.0   | 1.8   | 2024/25 | 2.3   | 2.4   |
| Year  | Rolling five-year actual (£m)  | Rolling five-year target (£m)   |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| Baseline 2020/21  | 0.8  | 1.0   |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| 2021/22   | 1.3  | 1.2   |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| 2022/23   | 1.6  | 1.4   |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| 2023/24   | 2.0  | 1.8   |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| 2024/25   | 2.3  | 2.4   |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| <span style="font-size: 2em; color: #2e6b2e;">↑</span> <b>GREEN</b> | <p><b>Number of Scopus citations for Abertay affiliated staff</b></p> <p>The number of citations has recovered from the previous year's decrease; and the 7,175 citations in 2024/25 exceeds, the 6,928 target associated with 7.5% compounded growth from the 2019/20's baseline.</p>                                 | <table border="1"> <thead> <tr> <th>Year</th> <th>Actual</th> <th>Target</th> </tr> </thead> <tbody> <tr><td>2020/21</td><td>4,430</td><td>4,430</td></tr> <tr><td>2021/22</td><td>5,471</td><td>5,471</td></tr> <tr><td>2022/23</td><td>6,398</td><td>6,398</td></tr> <tr><td>2023/24</td><td>6,893</td><td>6,893</td></tr> <tr><td>2024/25</td><td>6,811</td><td>6,811</td></tr> </tbody> </table>                                    | Year | Actual                        | Target                        | 2020/21          | 4,430 | 4,430 | 2021/22 | 5,471 | 5,471 | 2022/23 | 6,398 | 6,398 | 2023/24 | 6,893 | 6,893 | 2024/25 | 6,811 | 6,811 |
| Year  | Actual   | Target  |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| 2020/21   | 4,430  | 4,430   |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| 2021/22   | 5,471  | 5,471   |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| 2022/23   | 6,398  | 6,398   |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| 2023/24   | 6,893  | 6,893   |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| 2024/25   | 6,811  | 6,811   |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| <span style="font-size: 2em; color: #2e6b2e;">↑</span> <b>GREEN</b> | <p><b>Staff engagement: Aggregate measure on staff engagement from the biennial staff survey ('Average UCEA Employee Engagement Score')</b></p> <p>The most recent staff survey took place in September 2024 and saw a 3-percentage point increase in staff engagement.</p>  | <table border="1"> <thead> <tr> <th>Year</th> <th>Actual</th> <th>Target</th> </tr> </thead> <tbody> <tr><td>2020/21</td><td>58%</td><td>58%</td></tr> <tr><td>2021/22</td><td>75%</td><td>75%</td></tr> <tr><td>2022/23</td><td></td><td></td></tr> <tr><td>2023/24</td><td></td><td></td></tr> <tr><td>2024/25</td><td>78%</td><td>78%</td></tr> </tbody> </table>  | Year | Actual                        | Target                        | 2020/21          | 58%   | 58%   | 2021/22 | 75%   | 75%   | 2022/23 |       |       | 2023/24 |       |       | 2024/25 | 78%   | 78%   |
| Year  | Actual   | Target  |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| 2020/21   | 58%  | 58%   |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| 2021/22   | 75%  | 75%   |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| 2022/23   |  |   |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| 2023/24   |  |   |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |
| 2024/25   | 78%  | 78%   |      |                               |                               |                  |       |       |         |       |       |         |       |       |         |       |       |         |       |       |

| <b>AMBER</b><br> | <p><b>Staff: overall gender pay gap</b></p> <p>The gender pay gap, based on average salary, has again widened slightly from a notable drop in 2023, though the five-year trend remains downward, with 2024 well below the 14.5% baseline, earning an amber rating.</p> <p>The median gap improved, falling from 5.6% to 2.9%. The gap is largely due to occupational segregation, with more women in lower-paid roles, whereas women at Grade 10 and above earn more than men on average.</p> <p>The University continues to address disparities through initiatives like Athena Swan and the People Strategy.</p> | <table border="1"> <thead> <tr> <th>Year</th> <th>Actual (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>Baseline</td> <td>15%</td> <td>14.5%</td> </tr> <tr> <td>2020/21</td> <td>11%</td> <td>13.5%</td> </tr> <tr> <td>2021/22</td> <td>12%</td> <td>12.5%</td> </tr> <tr> <td>2022/23</td> <td>7%</td> <td>11.5%</td> </tr> <tr> <td>2023/24</td> <td>8%</td> <td>10.5%</td> </tr> <tr> <td>2024/25</td> <td>10%</td> <td>10%</td> </tr> </tbody> </table>                          | Year | Actual (%)  | Target (%)       | Baseline | 15%     | 14.5% | 2020/21 | 11% | 13.5%     | 2021/22 | 12%     | 12.5%     | 2022/23 | 7%   | 11.5%     | 2023/24 | 8% | 10.5%     | 2024/25 | 10% | 10%       |
|------------------|--|--|------|-------------|------------------|----------|---------|-------|---------|-----|-----------|---------|---------|-----------|---------|------|-----------|---------|----|-----------|---------|-----|-----------|
| Year             | Actual (%)   | Target (%)   |      |             |                  |          |         |       |         |     |           |         |         |           |         |      |           |         |    |           |         |     |           |
| Baseline         | 15%  | 14.5%  |      |             |                  |          |         |       |         |     |           |         |         |           |         |      |           |         |    |           |         |     |           |
| 2020/21          | 11%  | 13.5%  |      |             |                  |          |         |       |         |     |           |         |         |           |         |      |           |         |    |           |         |     |           |
| 2021/22          | 12%  | 12.5%  |      |             |                  |          |         |       |         |     |           |         |         |           |         |      |           |         |    |           |         |     |           |
| 2022/23          | 7%   | 11.5%  |      |             |                  |          |         |       |         |     |           |         |         |           |         |      |           |         |    |           |         |     |           |
| 2023/24          | 8%   | 10.5%  |      |             |                  |          |         |       |         |     |           |         |         |           |         |      |           |         |    |           |         |     |           |
| 2024/25          | 10%  | 10%  |      |             |                  |          |         |       |         |     |           |         |         |           |         |      |           |         |    |           |         |     |           |
| <b>GREEN</b><br> | <p><b>Increase in non-SFC, non-SAAS income (i.e. excluding SAAS-paid tuition fees)</b></p> <p>The 2019/20 baseline for this measure is £7.6m (22% of total income).</p> <p>This year, non-SFC income rose by £2.7m, increasing from 33% to 38% of total income - mainly due to higher TNE income and reduced SFC income.</p> <p>The KPI is rated green, reflecting consistent year-on-year growth, though no target was set for 2025.</p>  | <table border="1"> <thead> <tr> <th>Year</th> <th>Actual (£m)</th> </tr> </thead> <tbody> <tr> <td>Baseline</td> <td>7.6</td> </tr> <tr> <td>2020/21</td> <td>9.3</td> </tr> <tr> <td>2021/22</td> <td>9.9</td> </tr> <tr> <td>2022/23</td> <td>12.3</td> </tr> <tr> <td>2023/24</td> <td>13.0</td> </tr> <tr> <td>2024/25</td> <td>15.7</td> </tr> </tbody> </table>  | Year | Actual (£m) | Baseline         | 7.6      | 2020/21 | 9.3   | 2021/22 | 9.9 | 2022/23   | 12.3    | 2023/24 | 13.0      | 2024/25 | 15.7 |           |         |    |           |         |     |           |
| Year             | Actual (£m)  |  |      |             |                  |          |         |       |         |     |           |         |         |           |         |      |           |         |    |           |         |     |           |
| Baseline         | 7.6  |  |      |             |                  |          |         |       |         |     |           |         |         |           |         |      |           |         |    |           |         |     |           |
| 2020/21          | 9.3  |  |      |             |                  |          |         |       |         |     |           |         |         |           |         |      |           |         |    |           |         |     |           |
| 2021/22          | 9.9  |  |      |             |                  |          |         |       |         |     |           |         |         |           |         |      |           |         |    |           |         |     |           |
| 2022/23          | 12.3   |  |      |             |                  |          |         |       |         |     |           |         |         |           |         |      |           |         |    |           |         |     |           |
| 2023/24          | 13.0   |  |      |             |                  |          |         |       |         |     |           |         |         |           |         |      |           |         |    |           |         |     |           |
| 2024/25          | 15.7   |  |      |             |                  |          |         |       |         |     |           |         |         |           |         |      |           |         |    |           |         |     |           |
| <b>GREEN</b><br> | <p><b>EBITDA as % of income</b></p> <p>A series of rolling target ranges have been set for EBITDA, most recently, between 2.1% and 4%, based on projected EBITDA averaged over 2024/25-2026/27; a target that was exceeded in 2024/25.</p>   | <table border="1"> <thead> <tr> <th>Year</th> <th>Actual (%)</th> <th>Target range (%)</th> </tr> </thead> <tbody> <tr> <td>Baseline</td> <td>5%</td> <td>2.1%</td> </tr> <tr> <td>2020/21</td> <td>14%</td> <td>2.1% - 4%</td> </tr> <tr> <td>2021/22</td> <td>13%</td> <td>2.1% - 4%</td> </tr> <tr> <td>2022/23</td> <td>9%</td> <td>2.1% - 4%</td> </tr> <tr> <td>2023/24</td> <td>1%</td> <td>2.1% - 4%</td> </tr> <tr> <td>2024/25</td> <td>5%</td> <td>2.1% - 4%</td> </tr> </tbody> </table> | Year | Actual (%)  | Target range (%) | Baseline | 5%      | 2.1%  | 2020/21 | 14% | 2.1% - 4% | 2021/22 | 13%     | 2.1% - 4% | 2022/23 | 9%   | 2.1% - 4% | 2023/24 | 1% | 2.1% - 4% | 2024/25 | 5%  | 2.1% - 4% |
| Year             | Actual (%)   | Target range (%)   |      |             |                  |          |         |       |         |     |           |         |         |           |         |      |           |         |    |           |         |     |           |
| Baseline         | 5%   | 2.1%   |      |             |                  |          |         |       |         |     |           |         |         |           |         |      |           |         |    |           |         |     |           |
| 2020/21          | 14%  | 2.1% - 4%  |      |             |                  |          |         |       |         |     |           |         |         |           |         |      |           |         |    |           |         |     |           |
| 2021/22          | 13%  | 2.1% - 4%  |      |             |                  |          |         |       |         |     |           |         |         |           |         |      |           |         |    |           |         |     |           |
| 2022/23          | 9%   | 2.1% - 4%  |      |             |                  |          |         |       |         |     |           |         |         |           |         |      |           |         |    |           |         |     |           |
| 2023/24          | 1%   | 2.1% - 4%  |      |             |                  |          |         |       |         |     |           |         |         |           |         |      |           |         |    |           |         |     |           |
| 2024/25          | 5%   | 2.1% - 4%  |      |             |                  |          |         |       |         |     |           |         |         |           |         |      |           |         |    |           |         |     |           |

## PRINCIPAL RISKS AND UNCERTAINTIES

Effective risk management is central to Abertay University's governance and strategic planning. It supports resilience and helps us achieve our objectives. Our refreshed Risk Management Policy and Framework, including an updated risk appetite statement, was approved by Court in June 2025 and is reviewed annually. The University's principal strategic risks are summarised below.

### Financial Sustainability

Abertay's financial sustainability is closely linked to student recruitment. We face pressures from demographic shifts, increased competition, policy changes and economic uncertainty. Most Abertay students are Scottish undergraduates funded by the Scottish Government, but both recruitment numbers and per-student funding are under strain. Volatility in international student recruitment and uncertainty in research funding add further complexity.

We are diversifying income through growth in rest-of-UK and international student numbers, global education partnerships and online learning. Rigorous cost control, especially around staff costs, is essential. We use scenario planning and financial modelling to anticipate challenges and inform decision-making.

Our financial strategy balances day-to-day needs with long-term investment. Protecting our cash reserves is central to maintaining resilience, while we align resources to support income growth activities and reduce complexity. Engagement with sector bodies and government helps us advocate for sustainable funding models and remain responsive to policy developments.

### Operational disruption

Major incidents, cyber, physical, or operational, pose risks to our core activities. Cyber threats like phishing and ransomware could compromise data and systems. Non-cyber incidents, such as building outages or fraud, could cause significant disruption and costs.

We have strengthened digital resilience through transformation projects and maintain robust business continuity and disaster recovery plans. Infrastructure investment and the Infosmart project support long-term stability and improved information and data governance.

### Regulatory compliance

Operating in a complex regulatory environment, Abertay must respond to changes in education, finance, immigration and data protection laws. Non-compliance could lead to reputational damage, financial penalties and operational disruption, affecting recruitment, funding and accreditation.

We manage this risk through a structured compliance framework, regular policy reviews and internal audits. Engagement with sector bodies and government helps us influence policy and anticipate changes. Ongoing dialogue with the Scottish Funding Council ensures alignment with grant conditions.

### Operational effectiveness

Achieving strategic goals depends on efficient operations. Challenges include digital transformation, data management, estate limitations, staffing pressures and project delivery.

Gaps in data governance and business intelligence can hinder decision-making, while recruitment difficulties and change fatigue affect staff morale and performance.

We have invested in digital platforms, launched the Infosmart project, and regularly review our digital strategy. Estates planning is guided by consultation and quality standards. Our People Strategy and staff wellbeing initiatives support engagement and development. Project governance structures ensure alignment and accountability.

### **Sustainability and social responsibility**

We are committed to sustainability, widening access, and equality, diversity, and inclusion. Failure to deliver on these priorities could result in reputational harm, financial penalties, and scrutiny from the Scottish Funding Council.

Meeting climate targets and embedding environmental responsibility requires cultural change and staff engagement. Maintaining our widening access reputation depends on effective recruitment and alignment with policy. EDI commitments must be reflected in leadership and learning practices.

We engage regularly with stakeholders and the SFC and promote inclusive curricula and decision-making. Initiatives such as contextual admissions, school access programmes, and sustainability-focused learning help us stay aligned with our values.

### **Student experience**

A high-quality student experience is central to our mission. Risks span academic and non-academic areas, affecting satisfaction, retention, and reputation. Academic risks include outdated curricula, limited infrastructure, and high student-to-staff ratios. Non-academic risks include financial stress, limited support services, and inadequate social or physical activity opportunities.

We mitigate these risks through regular reviews of our Student Success Strategy, curriculum updates, and staff development. Student feedback informs targeted action plans, especially in response to National Student Survey results. Wellbeing is supported through initiatives like the My Success module, early intervention by Student Success Officers, and collaboration with the Students' Association.

### **Research**

Research and knowledge exchange underpin our academic reputation. Risks include poor performance in the Research Excellence Framework, low funding success rates, and challenges in producing high-quality outputs and impact case studies. These can affect staff recruitment and retention.

We conduct annual reviews of our Research and Knowledge Exchange strategies, allocate resources to support quality activity, and ensure that senior leadership champion research. Recruiting and retaining excellent academic staff remains a priority.

# FINANCIAL REVIEW



## FINANCIAL REVIEW

Three financial strategic objectives have been developed to support Abertay's Strategic Plan.

### **1. To achieve long-term financial sustainability**

Sustained financial health requires consistent cash surpluses and adequate realisable reserves to support strategic investment and provide resilience against financial shocks. A strong balance sheet - including net current assets, cash balances, and unrestricted reserves - is essential, alongside prudent borrowing management.

The key financial risks to this objective include our heavy reliance on Scottish Government funding, compounded by real-terms cuts and high staff cost ratios, and inflationary pressures, particularly in pay and energy.

To mitigate these risks, strategic actions include:

- Diversifying income through transnational partnerships, online delivery, and commercial activities.
- Maintaining strong governance over borrowing decisions.
- Monitoring progress through defined performance measures.

### **2. To plan and control the financing of infrastructure developments**

The University's capital and infrastructure investment plan, aligned with estates and digital strategies, is regularly reviewed by Court and the Finance and Corporate Performance Committee (FCPC). Revenue-funded developments are considered alongside this plan.

The key financial risk to this objective is a mismatch between operating performance and investment plans depleting cash reserves and threatening sustainability.

To mitigate this, strategic actions include:

- Court and FCPC oversight to prioritise investments based on affordability and cash flow.
- Robust governance, including benefits realisation, project initiation protocols, and gateway reviews.

### **3. To invest appropriately in our key developmental resources and capabilities over the medium to long term by integrating and harmonising the financial and other strategies.**

Our financial strategy is integrated with learning, teaching, research, and resource strategies to ensure sustainable contributions and effective long-term planning. This includes estates and digital investment, enhanced procurement, and enterprise activities supporting academic goals.

The University's business model attributes income to Schools and sets contribution targets to central costs. It is reviewed periodically to support strategic growth and incentivise productivity.

The main risk is underinvestment or imbalance in resource allocation.

To mitigate this, strategic actions include:

- Strengthening links between financial and resource strategies through integrated planning.
- Promoting financial planning awareness among managers to support strategic delivery and staff engagement.

The key underpinning requirements to the delivery of all of these objectives are ensuring the provision of effective and relevant financial management information to allow a clear understanding of our cost base and pricing implications; and ensuring that we have a consistently high level of understanding of our financial environment and financial decision making across the University.

### **Prior-year adjustment**

In recent years Abertay has fallen short of the number of home students for which SFC provide grant funding. Such a shortfall triggers a clawback of the teaching grant by the SFC. Our practice has been to recognise the clawback as a charge in the financial period that SFC seek reimbursement, typically 2 years after the event.

Acknowledging the appropriateness of recognising the clawback in the year that it occurred, we have adjusted our practice, this year, to accrue an accounting estimate of the clawback charge for the current year. To correct the reporting of balances brought forward and of comparative amounts disclosed in the financial statements, these accounts make adjustment for the amounts relating to prior periods. For information the sums are:

- 2022/23: £617,289
- 2023/24: £1,410,510
- 2024/25: £1,445,582

The detail of the changes to the reported financial position, as represented in the Statement of Financial Position and in reported financial performance, as represented in the Statement of Comprehensive Income and Expenditure are set out in note 20.

### **Financial performance**

This year, the University reported a deficit of £0.5m (2024 restated: deficit £0.9m) and total comprehensive expenditure of £0.6m (2024 restated: total comprehensive expenditure £1.3m).

These results include:

- An actuarially assessed FRS 102 pension credit in staff costs, reflecting the movement in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements.
- An actuarially assessed FRS 102 expenditure in interest and other finance costs, calculated by applying the discount rate to the net liability

Excluding the impact of the actuarial gain and other comprehensive income, the underlying total comprehensive expenditure would have been £0.7m (2024 restated total comprehensive expenditure: £1.0m).

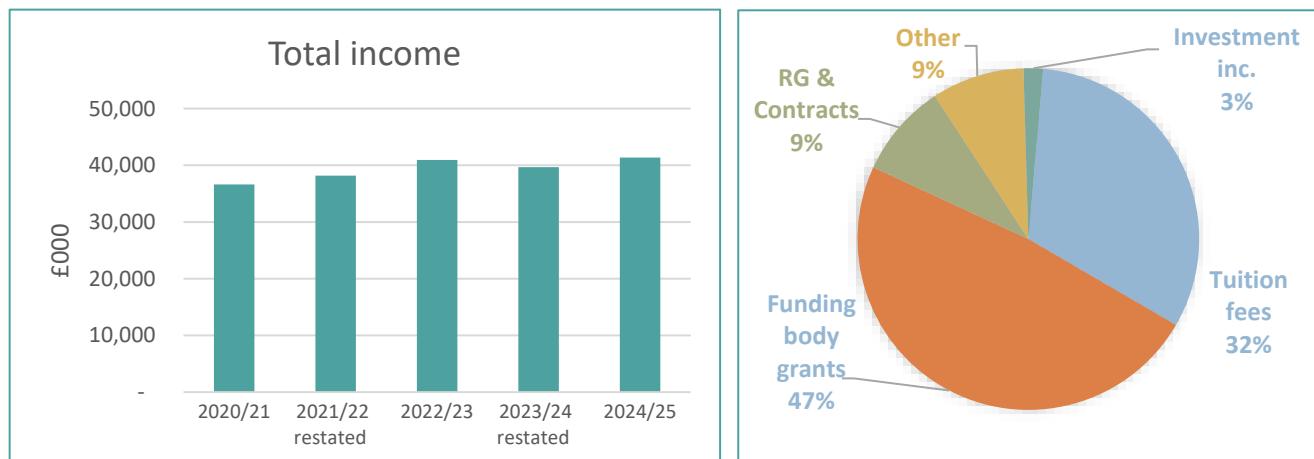
The following table shows the underlying performance for the year by adjusting for the impacts of those exceptional and non-recurring items:

|  | Deficit for<br>year<br>£000 | Total<br>comprehensive<br>expenditure<br>£000 |
|--|-----------------------------|---|
| As reported in the financial statements            | (466)                       | (626)   |
| Pension related                                    |                             |   |
| FRS 102 pension cost adjustment – to staff costs   | (235)                       | (235)   |
| FRS 102 pension cost adjustment – to finance costs | 22                          | 22  |
| Actuarial gain                                     | -                           | 185   |
| Other comprehensive income                         | -                           | (25)  |
| Underlying deficit/total comprehensive expenditure | <u>(679)</u>                | <u>(679)</u>                                  |

## Income

In 2024/25, the University saw total income grow by £1.7m (4%) to £41.4m (2024: £39.7m).

Funding body grants continue to represent the largest portion of our income, although an increasing trend in international students and international education partnership activity, have seen a start to the erosion of that dominance recent years.



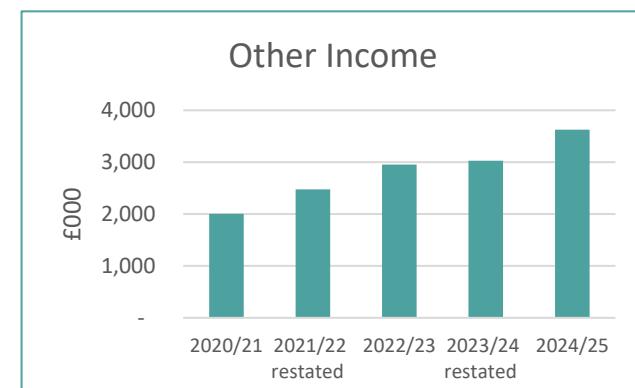
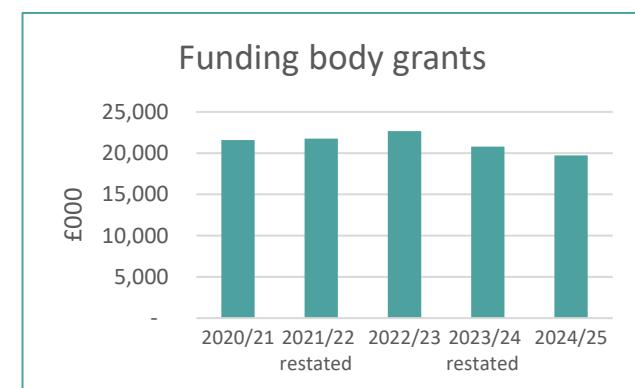
Continuing a trend of steady growth in the two preceding years, after the earlier pandemic-driven downturn, this year, tuition fees grew by £1.2m (10%) to £13.2m (2024: £12.0m); albeit that it fell a little short of the target that we had set ourselves.

Reversing the downward trend of the previous year, 2024/25 saw a modest £0.2m (3%) overall growth in the fees from home students, with £0.4m growth in taught postgraduate fee income offsetting a £0.2m reduction in undergraduate fee income. Continuing the upward trend of last year, fee income from students attending from England, Wales and Northern Ireland, rose by £0.4m (21%), primarily related to growth in undergraduate student numbers. For the same period, there was, again, an increase in international fee income, this year of £0.8m (21%), continuing to reflect increasing demand for places from international students, although our forecasts had been for a bigger increase.

Against the generally flat-cash distribution of teaching and research grants across the sector, at £19.7m (2024: £20.8m), the University's Funding Council Grants, were down £1.1m (5%) year-on-year, primarily reflecting growth in SFC's anticipated clawback for a shortfall against their funded home student numbers target.

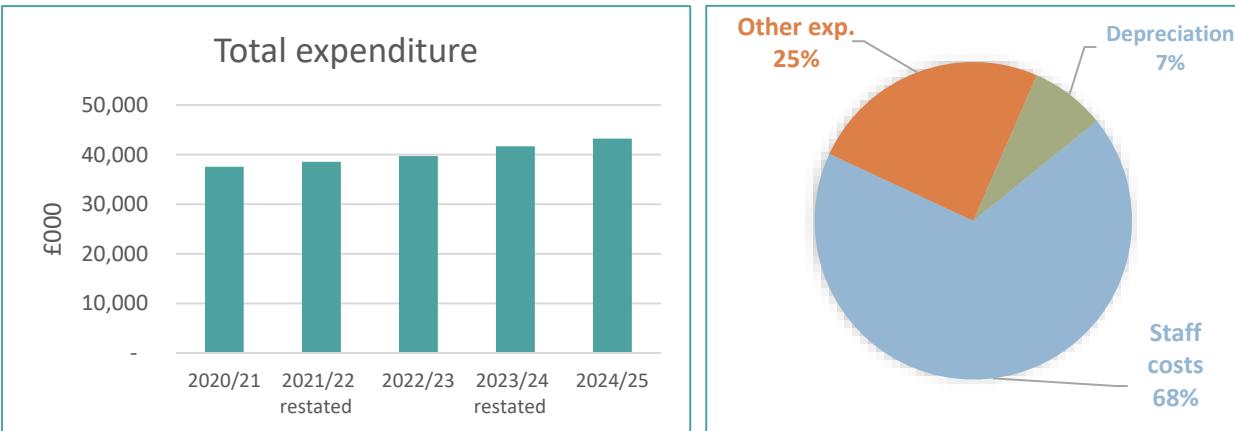
This year saw £0.9m (32%) growth in income from research grants to £3.7m (2024: 2.8m). The most significant movements were £0.2m (13%) growth on income from Research Councils primarily associated with the gearing up of the AHRC funded CoSTAR project; and an increase in income from UK Government, associated with the Tayside Cities Region Deal's funding for Abertay's cyberQuarter.

Other income saw overall growth of £0.6m (20%) to £3.6m (2024: £3.0m).



## Expenditure

In 2024/25, the University saw total expenditure grow by £1.3m (3%) to £43.0m (2024: £41.7m). Excluding the exceptional movements associated with FRS102 pension costs, there was an underlying increase of £1.4m (3%).

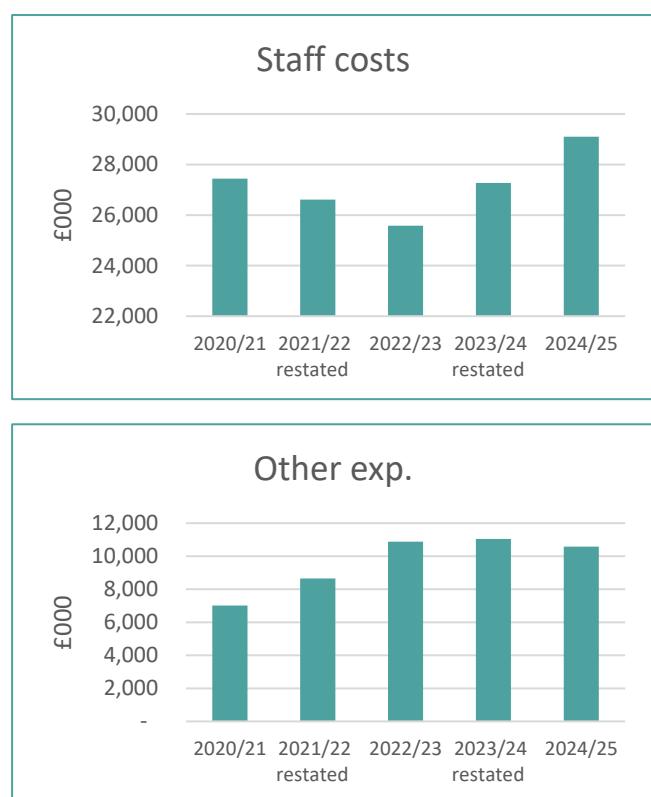


At 68% of total expenditure, almost 2 percentage points up on last year, staff costs continue to dominate the University's cost base.

Masking the significant effort in seeking to contain staff numbers to mitigate a shortfall in targeted tuition fee income, total staff costs grew by £1.6m (6%) to £28.9m (2024: £27.3m). That growth combined the effects of the 2024/25 national pay increase and routine salary scale progression. In addition, this year saw both the full year effect of the April 2024 increase in our employer's pension contributions to the Scottish Teachers Pension Scheme, rising from 23% to 26%, the rate that will prevail until March 2027; and that of the Tayside Pension Fund rising from 21.5% to 23% on the 1 April 2025, the penultimate planned annual rise ahead of the next valuation. Income pressures also drove our efforts to constrain operating costs, resulting other operating expenses falling by £0.4m (4%) to £10.6m (2024: £11.0m).

Together, depreciation and amortisation for the year of £3.5m (2024: £3.3m) grew by a modest £0.2m (6%), consistent with asset additions in the year.

In total, interest and other finance costs grew £37k, to £67k (2024: £30k). This year's higher interest on borrowing, at £45k (2024: £22k), reflected the draw down of a £10m Financial



transaction loan. A net return on the Tayside Pension Fund, precipitated a net credit on Interest and other finance costs of £22k (2024: £8k).

The deficit for the year also includes £0.3m of gains which crystallised because of the trading of securities within our investment portfolio during the year as well as £0.8m of in-year gains on securities that we continue to hold, that remain unrealised within the valuation of our investment portfolio at the year-end.

Other comprehensive income and expenditure for the year included actuarial loss, of £0.2m (2024: £0.4m), arising from the University's participation in the Tayside Pension Fund.

## Financial position

At the end of the year, the University had net assets of £51.3m (2024: £52.0m), representing a reduction of £0.7m on the previous year.

The £0.3m decrease in fixed assets to £44.9m (2024: £45.2m) reflects £3m of capital expenditure during the current year, offset by depreciation of £3.3m. The £1.2m (9%) growth in investment assets to £13.7m (2024: £12.5m) reflects the strong performance of financial markets over the period.

Over the period, net current assets grew by £7.4m to £14.1m (2024: £6.7m):

- Trade and other receivables fell by £0.4m to £2.6m (2024: £3.0m).
- Cash grew by £10.7m to £23.2m (2024: £12.5m), mainly reflecting the draw down of a £10m Financial Transactions loan from the Scottish Funding Council in March 2024, currently held on deposit, ring-fenced pending the Court's approval of a business case to construct a Health & Wellbeing Centre, which in turn, is contingent on a successful grant-application for a subterranean Green Energy Centre.
- Creditors due within one year grew by £2.9m (33%) to £11.6m (2024: £8.7m) reflecting a range of movements within that heading, but particularly a £1.4m (116%) increase in student deposits, arising from buoyant demand from international students for the coming academic year; a £0.4m (51%) increase in loans repayable within one year, arising from the impact of the additional loan drawn within the year; and a £1.0m (34%) increase in accruals, largely reflecting an increase in SFC's anticipated clawback for a shortfall against their funded home student numbers target.

Creditors falling due in more than one year comprise loans and deferred capital grants.

- The outstanding balance on loans due in more than one year grew by £8.8m to £16.7m (2024: £7.9m), reflecting the in-year draw down of the £10m SFC loan mentioned previously, offset by regular repayments on loans being made as they fell due. Total borrowing, including loans due in one year, stands at £17.8m at 31 July 2025 compared with £8.6m at 31 July 2024. None of the University's loans have any financial covenants associated with them.
- At the year-end, deferred capital grants greater than one year stand at £4.8m (2024: £4.8m), those being associated with historic grant-funded fixed assets. The balance has reduced by £80k reflecting the release of deferred grant to match the depreciation on fixed assets, so funded.

The actuarial review of the University's participation in the Tayside Pension Fund at 31 July 2025, for accounting purposes, signalled a £22.5m growth in the net pension surplus from £27.6m to £50.1m, attributed to a £16m growth in the Scheme's assets, to £119m together with a £6.8m decrease in the scheme's liabilities, to £68.4m. The actuary, however, has, once again, calculated an asset ceiling which perpetuates the University's reported pension surplus as £nil at this year-end. The £0.2m residual Pension liability (2024: £0.2m) relates to the present value of historic unfunded pension benefits.

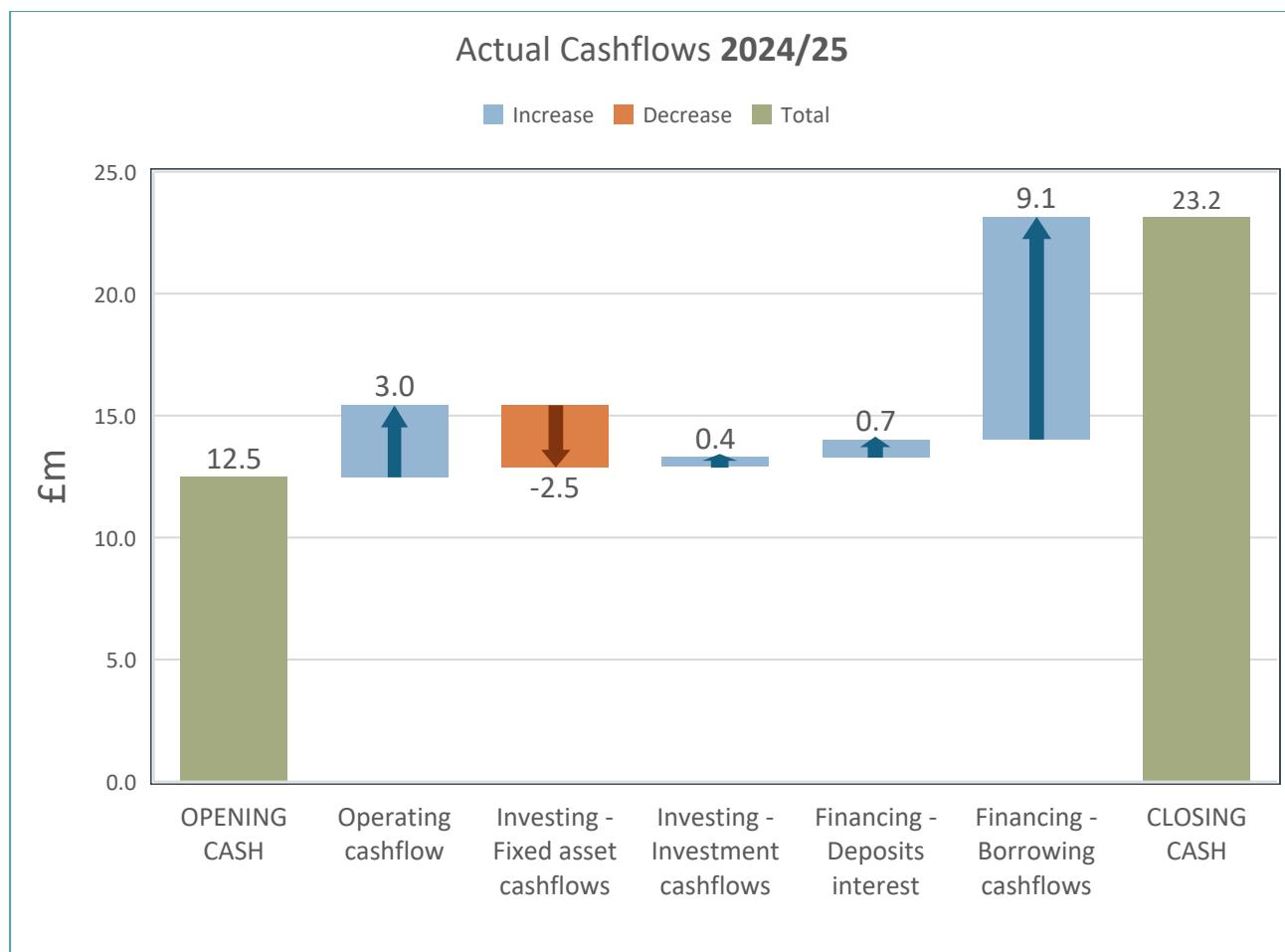
### Movement on reserves

During the year, the University's reserves reduced by £0.6m to £51.3m (2024: £51.9m).

Disaggregating that movement:

- Endowment reserves diminished by £13k to £488k during the year (2023: £501k), the net of the £4k of new endowments received during the year and £17k of expenditure incurred during the year.
- Restricted reserves increased by £25k to £101k during the year (2023: £76k).
- The income and expenditure reserve fell by £0.7m to £50.7m (2023: £51.4m) during the year, reflecting the total comprehensive expenditure for the year net of the movements relating to endowments or restricted donations described above.

### Cashflow, treasury management and liquidity



The opening cash balance at the start of the year was £12.5m (2024: £16.1m).

- Net cashflow from operating activities added £3.0m to that total (2024: £1.7m outflow).
- The net effect of fixed asset expenditure, fixed asset disposals and capital grant receipts was a cash outflow of £2.5m (2024: £2.2m outflow)
- There was £0.4m of cash inflow generated through non-current asset investments (2024: £0.4m inflow).
- There was £0.7m of cash inflow generated from interest on cash deposits (2024: £0.7m inflow).
- Offsetting £0.9m in loan repayments and loan interest against £10m drawn in new loans, the cash inflow associated with borrowings was £9.1m (2024: £0.8m outflow)

The resulting closing cash balance was £23.2m (2024: £12.5m).

Included in that cash balance is the drawn, but as yet unutilised, £10m Scottish Funding Council Financial Transactions loan. The funds are currently held on deposit, ring-fenced pending a business case to construct a Health & Wellbeing Centre, above a planned subterranean Green Energy Centre, progress on which continues to be subject to a decision by the Scottish Government on our application for a £12m Heat Network grant. That Energy Centre is the seed for the establishment of a heat network, across Dundee City Centre, and ultimately, beyond; a planned network that will recover heat from sewer waste.

The value of the University's non-current asset investments at the year-end was £13.7m (2024: £12.5m), £1.2m up on the previous year-end.

Abertay's investments, unlike those of many other institutions, are not, on the whole, associated with endowment funds, and as such are completely unallocated and unrestricted, and can be converted to cash entirely at the University's discretion. They are in effect, simply "deep" cash reserves, held in a particular way to maximise the opportunity for protection of the capital value, while generating income.

Adding the cash balances to those investment values and offsetting cash reserved to cover the unutilised loan proceeds, endowments and other restricted funds, Abertay has access to £26.3m of unallocated and unrestricted funds, indicating liquidity equal to 241 days of total expenditure.

### **Creditor payment policy**

The University endorses the CBI Prompt Payment Code. The University's policy is that payments to suppliers are made in accordance with those terms and conditions agreed between the University and its suppliers, provided that all trading terms and conditions have been complied with. With regard to the late payment of Commercial Debts (Interest) Act 1998 there are no matters to disclose.

# CORPORATE GOVERNANCE STATEMENT



# CORPORATE GOVERNANCE STATEMENT

## Introduction

The University is committed to achieving the highest possible standards and exhibiting good practice in all aspects of corporate governance. As part of this commitment and as required by the Financial Memorandum with the Scottish Funding Council, the University reports compliance against the principles of good governance set out in the 2023 Scottish Code of Good Higher Education Governance and keeps these matters under review as part of the business of the Governance and Nominations Committee, reporting to the University's governing body, the University Court (hereafter referred to as Court). Court also monitors the external environment in relation to best practice in governance, noting the publication in June 2025 of the Investigation into Financial Oversight and Decision-Making at the University of Dundee, known as the Gillies Report. Court considered the report and the recommendations for other universities at its meeting in September 2025; it reviewed and discussed an initial self-assessment in respect of the Gillies recommendations. Court and its Committees will ensure that the issues raised in the Gillies Report inform its assessments of institutional good governance and Court effectiveness going forward.

## University Governance and Court

The structure of the University's governance is set out in its statutory instrument, the Abertay University (Scotland) Order of Council 2019. Under the Order, the objects of the University are to provide education, undertake and carry out research, and to make suitable and adequate provision for teaching, learning, scholarship and research. The Order sets out the power, functions and composition of Court, and the Statement of Primary Responsibilities describes those responsibilities. Court approves the strategic vision of the University, appoints to key positions, ensures systems are in place for the academic, corporate, financial, estate and personal management of the University and that plans exist to evaluate performance and effectiveness against key indicators.

Court was actively engaged in the development of the University's new Strategy 2025-2030. A stakeholder meeting, of the kind set out in paragraph 58 of the 2023 Scottish Code of Good Higher Education Governance, was held on 26 June 2025. Many of the University's stakeholders from across the region came together for the event, where the new University Strategy for 2025-2030 was formally launched.

The University has a range of financial and non-financial Key Performance Indicators (KPIs) related to its strategic objectives. Performance information is provided regularly to Court with a schedule being in place to ensure that the strategic KPIs are reviewed annually and in a consistent manner.

Court and its members are committed to upholding the Nine Principles of Public Life in Scotland. Court has adopted a Code of Conduct for its members which is set out in the Members of Court Handbook and members sign up to this code a part of their appointment. The University maintains a Register of Interests of Court members and relevant University senior officers, which

is reviewed annually and is publicly available for inspection on the University's website at [Court Members | Members of Court | Abertay University](#). Individuals are also asked to declare any interests in relation to Court and Committee agenda business at all meetings and the Chair may require members to recuse themselves for particular items.

During 2024/25, Court was composed of twenty-four members drawn from the University's external and internal communities, the majority of whom were appointed as independent lay members (i.e., members appointed by the Court itself who are neither staff nor students of the University). Overall, the membership of Court includes both academic and professional services staff (including directly elected members, a member nominated by the Academic Council, Senate, and members nominated by the two recognised trade unions), two members appointed by the Students' Association, the Principal and Vice-Chancellor, and the Deputy Principal and Deputy Vice-Chancellor, in addition to appointed lay independent members and the Chair of Court (who constitutes the Senior Lay Member, in terms of the Higher Education Governance (Scotland) Act 2016).

In addition to the members of Court and the University's Vice-Principal and University Secretary, who is appointed as Secretary by Court, the remaining members (the Director of Finance, Infrastructure and Corporate Services and the Director of People and Organisational Development (OD)) of the Executive Group are invited to attend Court meetings, to facilitate accurate and efficient communication. The Head of Governance and Deputy Secretary, who acts as Clerk to Court along with the Governance and Policy Officer, are also in attendance at all Court meetings. Non-members are invited to attend meetings of Court and its Committees at the discretion of the Chair to contribute expertise to specific agenda items.

Court met on six occasions during 2024/25 and held its Annual Court Conference in November 2024 which was also attended by members of the University's Senior Management Team. Meeting agendas and minutes of open business considered at meetings of Court are made available through the University's website at [Court Agenda, Papers and Minutes | University Court | Abertay University](#), with meeting papers, unless they contain commercially sensitive or personal information, being made available to staff and students through the University's intranet. Court meetings, where possible, are held in person, with remote access made available to any members unable to attend in person, to help maximise attendance. Attendance through the year is monitored and is reported in the table below. Between meetings, the Chair regularly meets with both the Principal and Vice-Chancellor and the Vice-Principal and University Secretary.

Court reviews its key documents; Statement of Primary Responsibilities, Scheme of Delegation and Standing Orders (published on the University website at [Court's Key Documents | Abertay University](#)) on a three-year cycle, with minor changes being made to its Standing Orders in 2024/25. In addition the role profiles for its key individuals (published on the University's website at [Court's Key Individuals | Abertay University](#)) were reviewed with minor or no changes having been made in the period.

|   | University Court | Audit & Risk Committee | Chair's Committee | Finance & Corporate Performance Committee | Governance & Nominations Committee | People, Health and Equality Committee | Remuneration Committee |
|---|------------------|------------------------|-------------------|---|------------------------------------|---------------------------------------|------------------------|
| <b>Lay Members</b>  |                  |                        |                   |   |                                    |                                       |                        |
| D. Brew (Chair)   | 6 of 6           |                        | 2 of 2            | 2 of 2                                    | 3 of 3                             |                                       | 3 of 3                 |
| H. Dunk (Vice-Chair)  | 5 of 6           |                        | 1 of 2            |   |                                    | 3 of 4                                | 2 of 3                 |
| A. Bailey   | 2 of 6           |                        |                   | 4 of 5                                    |                                    |                                       |                        |
| J. Barnett*   | 2 of 2           | 1 of 1                 |                   |   |                                    |                                       |                        |
| L. Blackburn  | 5 of 6           |                        | 2 of 2            | 4 of 5                                    |                                    |                                       |                        |
| I. Davidson   | 6 of 6           | 3 of 4                 |                   |   |                                    |                                       |                        |
| R. Donoghue*  | 1 of 2           |                        |                   |   |                                    | 1 of 2                                |                        |
| F. Drysdale**   | 4 of 4           | 2 of 3                 |                   |   |                                    |                                       |                        |
| L. Hamilton   | 6 of 6           | 4 of 4                 |                   |   |                                    |                                       |                        |
| P. Herries  | 3 of 6           |                        |                   |   | 2 of 3                             |                                       |                        |
| F. Keir   | 6 of 6           |                        |                   |   |                                    |                                       | 3 of 3                 |
| V. Lynch  | 6 of 6           | 4 of 4                 |                   |   | 2 of 3                             |                                       |                        |
| J. Macgregor  | 4 of 6           |                        |                   | 2 of 2                                    |                                    | 2 of 2                                |                        |
| A. Marks  | 6 of 6           |                        | 2 of 2            | 3 of 5                                    | 3 of 3                             |                                       | 3 of 3                 |
| Professor E. Sim  | 4 of 6           |                        |                   |   |                                    | 2 of 4                                | 3 of 3                 |
| S. Traynor  | 5 of 6           |                        | 2 of 2            | 4 of 5                                    |                                    |                                       |                        |
| <b>Elected Members</b>  |                  |                        |                   |   |                                    |                                       |                        |
| D. Allaiouti (Students' Association) <sup>†</sup>                 | 6 of 6           |                        |                   | 4 of 5                                    |                                    | 3 of 4                                |                        |
| C. De Brito (Students' Association) <sup>‡</sup>                  |                  |                        |                   |   |                                    |                                       |                        |
| Professor R. Falconer (Academic)                                  | 6 of 6           |                        |                   | 5 of 5                                    |                                    |                                       |                        |
| K. George-Briant (Support)  | 6 of 6           |                        |                   |   |                                    | 4 of 4                                |                        |
| L. Webster (Students' Association)                                | 6 of 6           |                        |                   |   | 3 of 3                             |                                       | 0 of 3                 |
| <b>Nominated Members</b>  |                  |                        |                   |   |                                    |                                       |                        |
| Dr S. Cameron (Senate)  | 6 of 6           |                        |                   |   |                                    |                                       | 3 of 3                 |
| T. Sloan (Unite)  | 6 of 6           |                        |                   |   |                                    |                                       |                        |
| Dr H. Mehrpouya (UCU)   | 4 of 6           |                        |                   |   | 2 of 3                             |                                       |                        |
| <b>Ex-Officio</b>   |                  |                        |                   |   |                                    |                                       |                        |
| Professor L. Bacon (Principal and Vice-Chancellor)                | 6 of 6           |                        | 2 of 2            |   | 3 of 3                             |                                       |                        |
| Professor A. Irons (Deputy Principal and Deputy Vice-Chancellor)▲ | 4 of 4           |                        | 1 of 2            |   |                                    |                                       |                        |

|  | University Court | Audit & Risk Committee | Chair's Committee | Finance & Corporate Performance Committee | Governance & Nominations Committee | People, Health and Equality Committee | Remuneration Committee |
|--|------------------|------------------------|-------------------|---|------------------------------------|---------------------------------------|------------------------|
| <b>Other</b>   |                  |                        |                   |   |                                    |                                       |                        |
| A. Menzies (Director of Finance, Infrastructure & Corporate Services) <sup>▽</sup> |                  |                        |                   | 2 of 3                                    |                                    |                                       |                        |
| C. Summers (Vice-Principal and University Secretary)                               |                  |                        |                   | 5 of 5                                    | 3 of 3                             |                                       |                        |
| E. Fraser (Director of People and OD)  |                  |                        |                   |   |                                    | 4 of 4                                |                        |
| J. Nicholson (Director of Student and Academic Services)                           |                  |                        |                   |   |                                    |                                       | 4 of 4                 |
| M. Julier (External)   |                  | 4 of 4                 |                   |   |                                    |                                       |                        |
| C. Wilson (External)   |                  | 4 of 4                 |                   |   |                                    |                                       |                        |

\*until 31 December 2024; \*\* from 1 January 2025; <sup>†</sup>until 30 June 2025; <sup>‡</sup> from 1 July 2025; <sup>▲</sup>until 7 April 2025

<sup>▽</sup>from 11 December 2025.

During 2024/25, Court considered a wide range of business including:

- Approving the University's new Strategy 2025-2030 and monitoring the delivery of current supporting strategies such as the International and Partnerships Strategy;
- Approving major proposals for strategic and capital investment, including an application to the Scotland's Heat Network Fund;
- Approving the Financial and Operational Plan, including measurement of KPIs, and the Risk Management Framework and Policy and monitoring progress;
- Approving the Integrated Annual Report and Accounts for 2023/24;
- Approving the Abertay Students' Association Code of Practice to ensure compliance with the Education Act 1994;
- Overseeing the University's compliance with Scottish Funding Council Outcomes Framework and Assurance Model and approving the submission of the Knowledge Exchange and Innovation Fund Strategy;
- Overseeing the University's work on equality, diversity and inclusion and approving of the Equality Mainstreaming report; and
- Monitoring the external environment and its impact on the University's activities.

As part of its normal business, Court approved the Annual Health and Safety Report and the Annual Complaints Report. Court also reviewed the University's performance in the National Student Survey and received an update on Retention, Progression and Module Performance.

Court receives an update from the Abertay Students' Association at each meeting, which provides an insight into the work of the President, Vice-President and the wider Association.

All Court members are kept informed of any significant issues affecting the University and the wider Higher Education sector. Court members also receive, for information, communications sent to all staff.

### **Delegation of Authority**

It is not practical for Court to make every decision that is required within the University, and it has therefore agreed to delegate authority for certain decisions and certain areas of responsibility to appropriate individuals and committees, which are accountable to Court for exercising this authority. With certain exceptions defined under the Order, Court may delegate any of its functions. Court retains ultimate accountability and corporate responsibility for any decisions made on its behalf. The range of authority delegated by Court to its committees, Senate and the Principal and Vice-Chancellor is detailed within the Court's Scheme of Delegation. The Chair's Committee acts in the name of Court in any cases of urgency where it is not practicable to convene a meeting of Court. The Committee met twice in 2024/25, following Court's agreement to delegate authority for decisions relating to two specific proposals, with decisions undertaken being formally reported to the next meeting of Court.

Academic matters are delegated to Senate, with Court receiving the minutes, from each meeting, along with a broader Academic Matters report, which updates Court on a range of activities and achievements, as part of its routine business. The responsibility for oversight and regulation of the University's academic provision is therefore vested in Senate, subject to Court's overall authority, and the Principal and Vice-Chancellor, as Chair of Senate, has responsibility for the delivery of education and the student experience across the University. Senate has a number of standing committees that carry out detailed work in relevant areas and report to Senate. This ensures Senate is effective in its duties, by monitoring its compliance with internal quality processes, reports of engagement with external quality processes and the Quality Assurance Agency Scotland.

### **Committees of Court**

Court has established a number of key Standing Committees which have clear Terms of Reference which are reviewed annually and published on the University's website at Committees of Court | Abertay University. Such Committees are primarily composed of independent lay members of Court, one of whom acts as Chair with at least one staff and one student member of Court on all except the Audit and Risk Committee. In addition, Court has appointed two external lay members to the Audit and Risk Committee. Committee business and recommendations are formally reported to Court at each meeting and any necessary approval by Court is sought.

The **Audit and Risk Committee** provides Court with such advice as it considers appropriate on matters relating to audit and internal control to assist Court in ensuring the proper discharge of its responsibilities for financial management, for the effectiveness of the internal control and management systems, for the safeguarding of the assets of the University and public funds, for

the economy, efficiency and effectiveness of the University's activities, and in regard to risk management and corporate governance and the conduct of the University's operation. During 2024/25, the Committee considered a wide range of associated business matters including:

- Approving the Strategic Internal Audit Plan for 2024/25;
- Recommending approval to Court of the Annual Report and Financial Statements;
- Recommending approval to Court of the University's revised Financial Regulations;
- Receiving internal audit reports (which are thereafter shared with the appropriate Court Committee for information) provided in accordance with the annual plan;
- Receiving/reviewing internal audit follow-up reports;
- Reviewing the Risk Register regularly throughout the year and recommending approval to Court the annual review of the Risk Management Policy and Framework;
- Reviewing the external audit annual report; and
- Considering annual reports on business resilience and continuity; cyber resilience; procurement; and value for money.

The **Finance and Corporate Performance Committee** advises the University Court on the development, implementation and review of the Strategic Plan and supporting strategies including operational plans (where applicable to the remit) and associated policy, procedures and annual budgets. During 2024/25, the Committee considered a wide range of business matters including:

- Recommending approval to Court of major proposals for strategic and capital investment;
- Monitoring the delivery of the operational and financial plan;
- Overseeing the Abertay Students' Association Finances and the University's Transparent Approach to Costing (TRAC) Return;
- Receiving updates from the University's Investment Fund Managers; and
- Considering annual reports on financial strategy monitoring; information governance; insurance covers and broker arrangements.

The role of the **Governance and Nominations Committee** is to oversee, on behalf of Court, the implementation of effective processes concerning the management of Court and its Standing Committees. The Committee ensures that there is an appropriate range of skills and expertise on Court and that there is effective succession planning. It also has responsibility for the effective operation of Court and its committees and for oversight of Court's performance. It reports to Court on the overall effectiveness of governance arrangements. During 2024/25, the Committee considered a wide range of associated business matters including:

- Recommending approval to Court of appointments for new lay members and external committee members;
- Reviewing of the Person specification for independent Court members and recommending approval to Court of revised role profiles for Court positions;

- Recommending approval to Court of the revised Standing Orders;
- Monitoring the effectiveness of Court and its Committees;
- Approving a new University Policy Document Governance Framework; and
- Receiving updates on the actions identified from the annual review of the effectiveness of Court and considering the recommendations arising from the Governance internal audit.

The **People, Health and Equality Committee** oversees the governance of all people matters in order to ensure that the University creates, supports and maintains a positive and inclusive culture across the institution, ensures that the University has a clear people strategy which is appropriate, realistic and achievable, intended to deliver the University's ambitions as laid out in its Strategic Plan and has a governance role in reviewing achievements against plans, whilst ensuring that the strategy and plans can respond effectively to changing internal and external environments. During 2024/25, the Committee considered a range of associated business matters including:

- Progress updates on the implementation of the People Strategy and Equality, Diversity and Inclusion activities;
- Reviewing the results of the University's biennial Staff Engagement Survey;
- Considering annual reports on complaints; employee relations; health and safety; learning and development; occupational health and Prevent Duty.

The **Remuneration Committee** determines the remuneration of members of the Executive Group of the University, including the Principal and Vice-Chancellor, and the Chair of Court in accordance with Court approved policy and processes. The membership includes two lay members of Court (excluding the Chair of the Audit and Risk Committee), one staff member of Court, one student member of Court as well as the Chair of Court, the Vice-Chair of Court and the Chair of the Finance and Corporate Performance Committee. The Committee is also responsible for ensuring that any severance payments to senior staff are in accordance with the overall University Severance Policy and guidance to the sector.

### **Executive Group and Senior Management Team**

The **Executive Group** is chaired by the Principal and Vice-Chancellor and includes the Deputy Principal and Deputy Vice-Chancellor, the Vice-Principal and University Secretary, the Director of Finance, Infrastructure and Corporate Services and the Director of People and Organisational Development. Its members are responsible and accountable for all components of the University's budget, both income and expenditure. Where appropriate, it makes recommendations to Senate and Court for approval with Court receiving an update from the Executive Group as part of its routine business.

The Senior Management Team is chaired by the Principal and Vice-Chancellor and acts as a forum for discussion and decision-making on major initiatives and issues for the University, recommending as appropriate to Senate and Court for approval. Membership includes members of the Executive Group as well as the Dean of Enterprise and Commercialisation; the Dean of Learning and Teaching; the Dean of Research and the Graduate School; the Dean of International

and Partnerships; the Dean of the Faculty of Design, Informatics and Business, the Dean of the Faculty of Social and Applied Sciences and the Director of Student and Academic Services, who advise the Principal and Vice-Chancellor on strategic and operational matters. It plays an important role in the internal governance and operations of the University, and brings together the academic, financial and human resource aspects of planning. It is responsible for managing the University's performance and for assisting the Principal and Vice-Chancellor in the delivery of the University's Strategy.

### **Recruitment, Induction and Training**

Court, through the Governance and Nominations Committee, regularly monitors both the range of skill and experience as well as equality and diversity of its composition. During 2024/25, two lay members' terms of office came to an end (on 31 December 2024), and one new lay member was appointed to Court from 1 January 2025, following a recruitment exercise. The second vacancy was filled in a subsequent recruitment round with a new lay member being appointed to Court from 1 August 2025. There is an ongoing vacancy due to the retirement of the Deputy Principal and Deputy Vice-Chancellor in April 2025. For the period, the Abertay Students' Association President and Vice-President were nominated as the two student members of Court. Court has recently welcomed (from 1 July 2025) one new student member of Court, who had been elected in accordance with the processes agreed with the Students' Association.

As of 31 July 2025, the overall balance between genders amongst all Court members was 50% female and 50% male (a change from 46% female and 54% male as of 31 July 2024). Court continues to be committed to achieving the gender representation objective of the 'Gender Representation on Public Boards (Scotland) Act 2018' of achieving 50% non-executive/independent members who are women. There were fourteen lay members of Court (including the Chair and Vice-Chair) with a gender balance of 50% female and 50% male (a change from 47% female and 53% male). With the appointment of a new lay member from 1 August 2025, this will change to 53% female and 47% male. In addition, Court appointed two new external committee members (one female and one male), who will join the People, Health and Equality Committee from 1 August 2025.

Online induction sessions are held for all new members of Court and external Committee members. A Court members' handbook is available on the Abertay University Court Members' SharePoint site, which provides members with useful information including links to key documents, contact information for the Governance Office, the calendar of Court and Committee dates as well as induction, training and development information. Members of Court are required to complete an online cyber security training session as part of their induction as well as annual cyber security training. All newly appointed Court members are encouraged to attend the Advance HE event New Governors of Scottish Institutions. Several Audit and Risk Committee members also attended the Advance HE Training - Governor's Development Programme: Audit and Risk Committee during the period.

In 2024/25, Court members attended visits to the Faculty of Design, Informatics and Business including the CoSTAR Realtime lab and the Faculty of Social and Applied Sciences including the

new interpersonal skills spaces, the clinical skills lab and the Wellbeing Clinic as well as the refurbished ground floor of the Library and the new Students' Association space.

## **Effectiveness**

Court and its Standing Committees have in place an annual system of internal evaluation. The Chair of Court meets with all Court members individually and provides a written summary to Court. Court identified some areas for improvement including the development of graphical, visual and narrative summary information alongside a dashboard for regular review by the Finance and Corporate Performance Committee and Court, which will be taken forward in the next year. Committee members are asked to complete an online survey to rank the performance and effectiveness of the Committee in accordance with its specific remit. The overall evaluation for the period for both Court and its Standing Committees was very positive. In line with the Scottish Code, an externally facilitated Governance Effectiveness Review is undertaken every five years, the last of which was undertaken by Advance HE in 2021/22. The outputs of such reviews are available on the University's website at [Reviewing the Effectiveness of Court | Abertay University](#).

In January 2025, the University internal auditor, Azets, undertook an audit of Governance effectiveness. The audit report recognised several examples of good practice including:

- robust governance structure being in place that had been developed with cognisance of the needs of the organisation, and which provided for clear reporting between Court and the Committees that report to it;
- committees within the governance structure all having individual Terms of Reference that include sufficient and comprehensive details about roles and responsibilities, as well as including a clear and appropriate reporting structure for escalation and de-escalation;
- Court undertaking self-assessment annually, which assesses performance, discharge of role and effectiveness, completed through a questionnaire and one-to-one meetings between the members and Chair of the Court;
- skills matrix being in place that identifies the skills and experience of Court members, which is regularly monitored by the Governance and Nominations Committee, allowing the committee to identify any gaps within it, with clear and established processes to look to fill those gaps; and
- the action plan that had been created from the previous governance assessment had clear ownership and was regularly monitored to track progress. The audit confirmed that all actions had been marked as complete.

## **Statement of Internal Control**

As part of its primary responsibilities, Court is responsible for the University's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and provides reasonable and not absolute assurance against material misstatement or loss. Court keeps issues of control and risk under review and receives relevant reports from both the Executive Group, the Audit and Risk

Committee and the Finance and Corporate Performance Committee. This includes reviewing regular operational planning updates, which provide information on financial performance, receiving mid-year and annual progress reports on performance against the University's Key Performance Indicators, and reviewing mitigating actions and the selection of top risks within the Corporate Risk Register.

Key compliance requirements continued to be addressed, through robust processes and oversight including:

- Court and its Committees, Senate and its Committees, the Executive Group and the Senior Management Team continuing to function and operate to reporting cycles;
- monitoring of compliance with the requirements of the Higher Education Governance (Scotland) Act 2016 and the Scottish Code of Good HE Governance (2023);
- monitoring of compliance with any changes to relevant legislation
- Senate oversight to ensure assessment, examinations and Boards of Examiners could progress within the University Order, assuring governance and equity for all learners, aligned to external quality assurance expectations;
- maintenance of appropriate, centrally co-ordinated visa procedures, in line with UKVI guidance, protecting the University's ability to recruit international students and staff;
- fit-for-purpose physical and digital infrastructure: continued support for agile working, facilitated by Microsoft Teams;
- online learning resources for staff, standard monitoring process and helpdesk procedures;
- close working with industry partners on cyber-crime across the Higher Education sector.

The University's Internal Audit service is outsourced to Azets, a professional firm of auditors, which operates in accordance with the requirements of the Scottish Funding Council's Financial Memorandum. The work of the internal audit service is informed by an analysis of the risks to which the University is exposed, and annual audit plans are based on this analysis. The Internal Auditor provides the Audit and Risk Committee with an annual report on internal audit activity in the University. The report includes the Internal Auditor's independent opinion on the adequacy and effectiveness of the University's whole system of internal control.

In their report relating to 2024/25, the Internal Auditor conveyed their Annual Statement of Assurance, sharing an opinion that Abertay University has a framework of governance, risk management and controls that provides reasonable assurance regarding the effective and efficient achievement of objectives.

The External Auditor, AAB Audit & Accountancy Limited, also reports to the Director of Finance and the Audit and Risk Committee on any internal control issues that they identify during its normal audit activities.

The Audit and Risk Committee, on behalf of Court, has reviewed the adequacy and effectiveness of the University's system of internal control and risk management and is satisfied with the University's arrangements in that regard.

Based on the above noted processes, Court is of the view that there were adequate and effective internal controls in place and that there was an adequate and effective process for identifying, evaluating and managing the University's significant risks during the year ended 31 July 2025 and up to the date of signing the Annual Report and Financial Statements.

### **Going Concern**

The University's activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report. Its financial performance for the year to 31 July 2025, assets, liquidity and cashflows are set out in more detail in the Primary Financial Statements and in the Notes to the Financial Statements.

A going concern assessment is set out in the Statement of Principal Accounting Policies (page 55). That assessment presents a review of the Institution's financial performance, its cash flows and its liquidity position, based on the University's Operating and Financial Plan for the period 2025/26 to 2027/28.

Given that review, including the examination of the potential impact of risk and uncertainty on those forecasts, the University Court is satisfied that Abertay University is expected to be able to meet its commitments and obligations for at least the next twelve months from the date of the signing of this report, an accordingly that it is appropriate to prepare these Financial Statements on a going concern basis, a presumption fortified by the most recent indication of an improved trading position.

### **Statement of Compliance with the Scottish Code of Good Higher Education Governance**

In the opinion of Court, Abertay University complied with all the principles and provisions of the 2023 Scottish Code of Good Higher Education Governance during 2024/25.

### **Statement of Responsibilities of the University Court relating to the reports and financial statements**

In accordance with the Further and Higher Education (Scotland) Act 2005, Abertay University Court is responsible for the administration and management of the affairs of the University, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

Court is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the University and enable it to ensure that the financial statements are prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education, The Further and Higher Education (Scotland) Act 2005, Scottish Funding Council Accounts Direction and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the Scottish Funding Council and the Court of Abertay University, Court, through its designated office holder, is required to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

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

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

Court has a responsibility to:

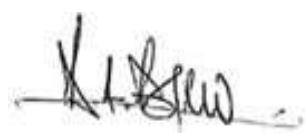
- Ensure that funds from the Scottish Funding Council are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe.
- Ensure that there are appropriate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

The officers and members of Court who held office at the date of approval of the Annual Report and Financial Statements confirm that, so far as they are each aware, there is no relevant audit information of which the University's auditor is unaware; and each officer and member of the Court has taken all the steps that they ought reasonably to have taken as an officer and member of the Court to make themselves aware of any relevant audit information and to establish that the University's auditor is aware of that information.

## **Conclusion**

The range of activities described within this corporate governance statement reflect Court's commitment to delivering on its primary responsibilities and adopting an approach of continuous improvement in governance matters and increasing transparency and engagement with stakeholders.

The University Court would like to express its thanks to all those who have served on Court or as members of Committees of Court during the year.



**Mr David Brew**, Chair, University Court  
26 November 2025



**Professor Liz Bacon**, Principal and Vice Chancellor  
26 November 2025

# INDEPENDENT AUDITOR'S REPORT



# INDEPENDENT AUDITOR'S REPORT TO THE COURT OF ABERTAY UNIVERSITY

## Opinion

We have audited the financial statements of Abertay University ('the institution' or 'the University') for the year ended 31 July 2025 which comprise the Statement of Comprehensive Income and Expenditure, Balance Sheet, Cash Flow Statement, Statement of Changes in Reserves, and the related notes 1 to 22, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the University's state of affairs as at 31 July 2025 and of the income and expenditure, recognised gains and losses, changes in reserves, and of the University's statement of cash flows for the year for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education, and relevant legislation; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 14 of the Charities Accounts (Scotland) Regulations 2006.

## 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 University 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

University's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The University Court is responsible for the other information. The other information comprises the information included in the annual report set out on pages 1-42, other than the financial statements and our auditor's report thereon.

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

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

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

- The Scottish Funding Council'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 the Scottish Funding Council have been applied in accordance with the requirements of the Scottish Funding Council 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 where the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Strategic Report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 Responsibilities of Court set out on pages 41-42, the University Court is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the University Court determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the University Court is responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the University Court either intend to liquidate the institution or to cease operations, or have 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 Acts 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the University operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

The laws and regulations we considered in this context were the Charities and Trustee Investment (Scotland) Act 2005 and regulation 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

We identified the greatest risk of material impact on the financial statements from irregularities including fraud to be:

- Management override of controls to manipulate the institution's key performance indicators to meet targets;
- Income recognition for specific income streams; and

- Compliance with relevant laws and regulations which directly impact the financial statements and those that the University needs to comply with for the purpose of trading.

Our approach is as follows:

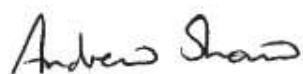
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage income and expenditure. Where this risk was considered higher, we performed audit procedures to address the risk of fraud and management override. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error;
- We have performed analytical and/or substantive procedures over all significant revenue streams;
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the University and determined that the most significant are FRS 102 and Statement of Recommended Practice for Further and Higher Education;
- We understood how the 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, as well as consideration of the results of our audit procedures to either corroborate or provide contrary evidence which was then followed up; and
- 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 and a review of Court minutes to identify any non-compliance with laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 of Abertay University, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 Abertay University and the University Court as a body, for our audit work, for this report, or for the opinions we have formed.



### **Andrew Shaw**

for and on behalf of  
AAB Audit & Accountancy Limited  
Statutory Auditor  
81 George Street  
Edinburgh  
EH2 3ES

Date: 11 December 2025

AAB Audit & Accountancy Limited is eligible to act as an auditor under section 1212 of the Companies Act 2006

# FINANCIAL STATEMENTS



# STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

For the year ended 31 July

|   | Notes | 2025<br>£000   | 2024<br>£000<br>Restated |
|---|-------|----------------|--------------------------|
| <b>INCOME</b>                                       |       |                |                          |
| Tuition fees and education contracts                | 1     | <b>13,242</b>  | 12,014                   |
| Funding body grants                                 | 2     | <b>19,722</b>  | 20,801                   |
| Research grants and contracts                       | 3     | <b>3,676</b>   | 2,790                    |
| Other income  | 4     | <b>3,610</b>   | 3,029                    |
| Investment income                                   | 5     | <b>1,115</b>   | 1,038                    |
| Donations   | 6     | <b>6</b>       | 8                        |
|   |       | <b>41,371</b>  | 39,680                   |
| <b>EXPENDITURE</b>                                  |       |                |                          |
| Staff costs   | 7     | <b>28,867</b>  | 27,271                   |
| Other operating expenses                            | 9     | <b>10,564</b>  | 11,048                   |
| Depreciation  | 10    | <b>3,270</b>   | 3,088                    |
| Amortisation  | 0     | <b>230</b>     | 230                      |
| Interest and pension finance costs                  | 8     | <b>67</b>      | 30                       |
|   |       | <b>42,998</b>  | 41,667                   |
| <b>Deficit before other gains/losses</b>            |       | <b>(1,627)</b> | (1,987)                  |
| Gain/ (Loss) on disposals of investments            |       | <b>349</b>     | (37)                     |
| Unrealised gain on non-current asset investments    |       | <b>812</b>     | 1,129                    |
| <b>Deficit for the Year</b>                         |       | <b>(466)</b>   | (895)                    |
| <b>Other comprehensive income</b>                   |       |                |                          |
| Actuarial loss in respect of pension scheme         | 16    | <b>(185)</b>   | (382)                    |
| Other comprehensive expenditure                     |       | <b>25</b>      | 2                        |
| <b>Total comprehensive expenditure for the year</b> |       | <b>(626)</b>   | (1,275)                  |
| <b>Represented by:</b>                              |       |                |                          |
| Restricted comprehensive income                     | 18    | <b>25</b>      | 0                        |
| Unrestricted comprehensive income                   |       | <b>(641)</b>   | (1,261)                  |
| Endowment comprehensive income                      | 17    | <b>(10)</b>    | (14)                     |
|   |       | <b>(626)</b>   | (1,275)                  |

## STATEMENT OF CHANGES IN RESERVES

For the year ended 31 July

|  | Endowment<br>reserves<br>£000 | Restricted<br>reserves<br>£000 | Income and<br>expenditure<br>reserves<br>£000 | Total<br>£000 |
|--|-------------------------------|--------------------------------|---|---------------|
| Balance at 1 August 2023                   | 515                           | 76                             | 53,259  | 53,850        |
| Prior-year adjustment                      | -                             | -                              | (617)   | (617)         |
| <b>Balance at 1 August 2023 (restated)</b> | <b>515</b>                    | <b>76</b>                      | <b>52,642</b>                                 | <b>53,233</b> |
| Deficit for the year (restated)            | (14)                          | -                              | (881)   | (895)         |
| Other comprehensive income                 | -                             | -                              | (380)   | (380)         |
| Total comprehensive income                 | (14)                          | -                              | (1,261)                                       | (1,275)       |
| <b>Balance at 1 August 2024 (restated)</b> | <b>501</b>                    | <b>76</b>                      | <b>51,381</b>                                 | <b>51,958</b> |
| (Deficit)/surplus for the year             | (10)                          | 25                             | (481)   | (466)         |
| Other comprehensive income                 | -                             | -                              | (160)   | (160)         |
| Total comprehensive income                 | (10)                          | 25                             | (641)   | (626)         |
| <b>Balance at 31 July 2025</b>             | <b>491</b>                    | <b>101</b>                     | <b>50,740</b>                                 | <b>51,332</b> |

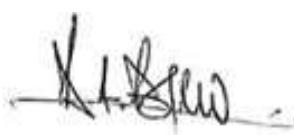
# STATEMENT OF FINANCIAL POSITION

As at 31 July

|   | Notes | 2025<br>£000    | 2024<br>£000<br>Restated |
|---|-------|-----------------|--------------------------|
| <b>Non-Current Assets</b>   |       |                 |                          |
| Fixed assets  | 10    | <b>44,948</b>   | 45,187                   |
| Intangible assets   | 11    | <b>289</b>      | 519                      |
| Non-current investments   | 12    | <b>13,677</b>   | 12,515                   |
|   |       | <b>58,914</b>   | 58,221                   |
| <b>Current assets</b>   |       |                 |                          |
| Stock   |       | <b>33</b>       | 28                       |
| Trade and other receivables   | 13    | <b>2,559</b>    | 2,953                    |
| Cash and cash equivalents   |       | <b>23,179</b>   | 12,490                   |
|   |       | <b>25,771</b>   | 15,471                   |
| Less: Trade and Other Payables: amounts falling due within one year | 14    | <b>(11,653)</b> | (8,732)                  |
| <b>Net current assets</b>   |       | <b>14,118</b>   | 6,739                    |
| <b>Total assets less current liabilities</b>                        |       | <b>73,032</b>   | 64,960                   |
| <b>Creditors due after more than one year</b>                       |       |                 |                          |
| Deferred Capital Grant  | 15    | <b>(4,769)</b>  | (4,849)                  |
| Loans   | 15    | <b>(16,715)</b> | (7,909)                  |
|   |       | <b>(21,484)</b> | (12,758)                 |
| <b>Provisions</b>   |       |                 |                          |
| Pension provisions  | 16    | <b>(216)</b>    | (244)                    |
| <b>Total net assets</b>   |       | <b>51,332</b>   | <b>51,958</b>            |
| <b>Restricted reserves</b>  |       |                 |                          |
| Endowment reserve   | 17    | <b>491</b>      | 501                      |
| Other restricted reserves   | 18    | <b>101</b>      | 76                       |
| <b>Unrestricted reserves</b>  |       |                 |                          |
| Income and expenditure reserve                                      |       | <b>50,740</b>   | 51,381                   |
| <b>Total funds</b>  |       | <b>51,332</b>   | <b>51,958</b>            |

The financial statements on pages 50 to 81 were approved by Court on 26 November 2025 and were subsequently signed on its behalf on that date by:

EBacon

Mr David Brew

**Professor Liz Bacon**, Principal and Vice Chancellor

**Mr David Brew**, Chair, University Court

# CASH FLOW

For the year ended 31 July

|   | Notes | 2025<br>£000   | 2024<br>£000 | Restated |
|---|-------|----------------|--------------|----------|
| <b>Cashflow from operating activities</b>                           |       |                |              |          |
| (Deficit) for the year before tax                                   |       | <b>(466)</b>   | <b>(895)</b> |          |
| <b>Adjustment for non-cash items</b>                                |       |                |              |          |
| Depreciation and impairment charges                                 | 10    | <b>3,270</b>   | 3,088        |          |
| Amortisation  | 11    | <b>230</b>     | 230          |          |
| (Gain)/Loss on disposal of investments                              |       | <b>(349)</b>   | 37           |          |
| Unrealised appreciation on non-current assets                       |       | <b>(812)</b>   | (1,129)      |          |
| (Increase)/decrease in stock  |       | <b>(5)</b>     | 6            |          |
| Decrease/(Increase) in debtors                                      | 13    | <b>394</b>     | (746)        |          |
| Increase/(Decrease) in creditors                                    | 14    | <b>2,472</b>   | (249)        |          |
| (Decrease) in pension provision                                     | 16    | <b>(28)</b>    | (179)        |          |
| Pension costs   |       | <b>(185)</b>   | (380)        |          |
| <b>Adjustment for investing or financing activities</b>             |       |                |              |          |
| Investment income   |       | <b>(391)</b>   | (366)        |          |
| Interest on loans   | 8     | <b>45</b>      | -            |          |
| Interest income   | 5     | <b>(724)</b>   | (672)        |          |
| Capital grant income  |       | <b>(495)</b>   | (449)        |          |
| <b>Net cash inflow/(outflow) from operating activities</b>          |       | <b>2,956</b>   | (1,704)      |          |
| <b>Cashflows from investing activities</b>                          |       |                |              |          |
| Current and non-current investment income                           |       | <b>391</b>     | 366          |          |
| Fixed asset additions   | 10    | <b>(3,031)</b> | (2,609)      |          |
| Intangible asset additions  | 10    | <b>-</b>       | (10)         |          |
| Proceeds from sale of fixed assets                                  | 10    | <b>(1)</b>     | -            |          |
| Non-current investment (additions)                                  | 12    | <b>(2,897)</b> | (2,156)      |          |
| Income from disposal of current asset investments                   |       | <b>2,908</b>   | 2,170        |          |
| Capital grant receipts  |       | <b>487</b>     | 422          |          |
|   |       | <b>(2,142)</b> | (1,817)      |          |
| <b>Cashflows from financing activities</b>                          |       |                |              |          |
| Interest income   | 8     | <b>724</b>     | 672          |          |
| Interest on loans   | 8     | <b>(45)</b>    | -            |          |
| Repayments of amounts borrowed                                      | 15    | <b>(816)</b>   | (754)        |          |
| New loan borrowed   | 15    | <b>10,000</b>  | -            |          |
| New endowment   | 17    | <b>4</b>       | 6            |          |
| Endowment expenditure   | 17    | <b>(17)</b>    | (20)         |          |
| Restricted donations  | 18    | <b>25</b>      | -            |          |
|   |       | <b>9,875</b>   | (96)         |          |
| <b>Increase/(Decrease) in cash and cash equivalents in the year</b> |       | <b>10,689</b>  | (3,617)      |          |

| Reconciliation of cash movement                                     | 2025<br>£000  | 2024<br>£000 |
|---|---------------|--------------|
| Cash and cash equivalents at the beginning of the year              | <b>12,490</b> | 16,107       |
| Cash and cash equivalents at the end of the year                    | <b>23,179</b> | 12,490       |
| <b>Increase/(Decrease) in cash and cash equivalents in the year</b> | <b>10,689</b> | (3,617)      |

| Analysis of net cash                                 | 2025<br>£000    | 2024<br>£000 |
|--|-----------------|--------------|
| Cash and cash equivalents                            | <b>23,179</b>   | 12,490       |
| <b>Borrowings:</b>                                   |                 |              |
| Unsecured loans falling due within one year          | <b>(1,116)</b>  | (738)        |
| Unsecured loans falling due after more than one year | <b>(16,715)</b> | (7,909)      |
|  | <b>(17,831)</b> | (8,647)      |
| <b>Net cash 31 July</b>                              | <b>5,348</b>    | 3,843        |

| Reconciliation of net cash            | 2025<br>£000   |
|---------------------------------------|----------------|
| <b>Net cash 1 August</b>              | <b>3,843</b>   |
| Increase in cash and cash equivalents | <b>10,689</b>  |
| Other non-cash changes                | <b>(5,341)</b> |
| <b>Net cash 31 July</b>               | <b>5,348</b>   |
| <b>Change in net cash</b>             | <b>1,505</b>   |

# ACCOUNTING POLICIES

## 1. Accounting convention

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Accounts Direction issued by the Scottish Funding Council and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition).

The University is a public benefit entity and therefore has applied the relevant public benefit requirements of the applicable UK laws and accounting standards.

## 2. Basis of preparation

The financial statements are prepared in accordance with the historical cost convention.

The presentation currency is pounds sterling, and the financial statements are rounded to the nearest £000.

The financial statements do not include the income and expenditure of the Students' Association as the University is not in a position to exert control or dominant influence to obtain benefit from its activities.

## 3. Going concern

The University's activities and the factors likely to affect its future development, performance and position are set out in the Strategic Report, which includes a review of financial performance, cash flows, liquidity and borrowing facilities.

The University Court has reviewed and approved the University's Operating and Financial Plan for the period 2025/26 to 2027/28, including plans for future student recruitment and financial forecasts.

The Operating and Financial Plan reflects an environment where income assumptions include no growth in government funding, on-campus student recruitment remains challenging and expenditure continues to face inflationary pressure, particularly from increased employer pension contributions and national insurance costs. In the immediate term, these pressures result in a predicted financial deficit, projected to be 0.8% of total income. However, the projected deficit reduces over the planning period as the University pursues greater income diversification, notably through growth in international partnerships and continued cost containment. This improving operating environment is also reflected in a projected net cash flow from operating activities that broadly breaks even over the forecast period.

To minimise the impact on liquidity and reserves, and notwithstanding the cash balances held by the University (excluding any unutilised but earmarked borrowing), the plan adopts a measured approach to internally funded capital investment. This is designed to contain the projected overall annual net cash outflow and maintain sufficient working capital to support activities and projects throughout the planning period.

In addition to these efforts, Abertay holds significant non-current investments that are unrestricted and unallocated. Unlike endowment funds held by some other

institutions, these investments can be liquidated at the University's discretion. They serve as deep cash reserves, held in a way that preserves capital value while generating income, and are projected to remain available throughout the planning period to support liquidity in the event of adverse financial circumstances.

The Financial Plan also tests the resilience of its projections through sensitivity analysis. This identifies the greatest sensitivities in the Plan as being adverse movements in pay expenditure, followed by funding council grants and tuition fees. While the impact of a material adverse movement in staff costs may be high, the University's granular approach to managing and forecasting staff costs, its track record of controlling staff numbers and an assumption of a pay settlement above the finally negotiated level, all indicate a low likelihood of adverse effects. Similarly, although sensitivity to funding council grants is material, the certainty of grants for the coming year, prudent no-growth assumptions for future years and the recognition of SFC clawback in the year it occurs mitigate the risk of future adverse movements. For tuition fees, the greatest sensitivity relates to SFC-funded home students. The University's student number planning accounts for historical under-recruitment and includes provisions consistent with recent trends.

Beyond the assurance provided by the approved financial plans, liquidity projections and unrestricted reserves, recent developments have further strengthened the University's position. Recruitment of Scottish home students, students recruited from the rest of the UK and international students for the coming session has exceeded expectations. The resulting reduction in SFC

clawback and unbudgeted international tuition fee income are expected to substantially reduce, and potentially eliminate, the projected operating deficit for 2025/26. This improvement is forecast to turn the previously projected net cash outflow from operating activities into a net inflow and almost eliminate the decrease in cash and cash equivalents for the year.

Given the forecasts set out in the University's Operating and Financial Plan for 2025/26 to 2027/28, and the examination of risk and uncertainty contained within them, the University Court is satisfied that Abertay University will be able to meet its obligations for at least the next twelve months from the date of signing this report. Accordingly, it is appropriate to prepare these Financial Statements on a going concern basis, a presumption further supported by recent improvements in the University's trading position.

#### **4. Recognition of 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.

#### **Fee income**

Fee Income is stated net of any expenditure which in effect reduces Tuition Fee and credited to the Statement of Comprehensive Income and Expenditure over the period of study. Any amount where the Tuition Fee is reduced by a discount for prompt payment or scholarship, income receivable is shown net of the discount. Bursaries are accounted for gross as expenditure and not deducted from income.

## **Grant income**

Grant funding including the funding council block grant, research grants from government sources, 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 conditions being met is recognised as deferred income within creditors in the Statement of Financial Position and released to income as the conditions are met.

## **Donations and endowments**

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

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

There are two main types of donations and endowments reported within reserves on the Statement of Financial Position:

- Restricted Donations – the donor has specified that the donation be used for a particular objective.

- Expendable Endowments – the donor has specified a particular objective other than the purchase of tangible fixed assets and the University has the power to use the capital.

## **5. Accounting for retirement benefits**

The Scottish Teachers Pension Scheme (STPS), the Universities Superannuation Scheme (USS), the Tayside Pension Fund (TPF) and Abertay University Pension Scheme (AUPS) provide retirement benefits for employees of the University.

TPF is a multi-employer defined benefit pension fund (see below). The scheme's actuary provides a valuation of the University's share of the scheme's underlying assets and liabilities at each reporting date, which has been reflected in these financial statements in accordance with FRS 102.

Both STPS and USS are a multi-employer defined benefit schemes (see below) for which it is not possible to identify the assets and liabilities of each participating institution due to the mutual nature of the scheme. FRS102 provides, where an institution is unable to identify its share of the underlying assets and liabilities in a multi-employer scheme on a reasonable and consistent basis, for it to account as if the scheme were a defined contribution scheme and therefore these schemes are accounted for as defined contribution retirement benefit schemes.

AUPS is a defined contribution scheme (see below).

The schemes are externally funded and contracted out of the State Second Pension (S2P). Each defined benefit fund is valued every three years by professionally qualified independent actuaries.

### **Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which the company 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.

### **Defined benefit plan**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. 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 University recognises 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 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 can recover the surplus either through reduced contributions in the future or through refunds from the plan. The contributions paid by the employer are set by the Fund Actuary at each triennial actuarial valuation, the most recent being as at 31 March 2023.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses.

The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

Further detail is provided on the specific pension schemes in note 16 to the accounts.

### **6. 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. Any unused benefits, such as holiday entitlements earned but not taken at the balance sheet date, are accrued and measured as the additional amount expected to be paid as a result of the unused entitlement.

### **7. Operating leases**

Costs in respect of operating are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the lease term.

## 8. Foreign currency

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

## 9. Fixed assets

Fixed assets are stated on the Balance Sheet at cost less accumulated depreciation and accumulated impairment.

Land and buildings are stated at historic cost less accumulated depreciation. Freehold land is not depreciated. All other categories of fixed assets are held at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Component accounting has been adopted for buildings at the following rates:

- Short Term (e.g. Finishes and Floors: 10 Years)
- Medium Term (e.g. Mechanical and Electrical, Cladding): 30 Years
- Long Term (e.g. Sub and Support Structure): 50 years

Finance costs which are directly attributable to the construction of land and buildings are capitalised as part of the costs of those assets.

Equipment, furniture and coherent packages of equipment costing £10,000 or more have been capitalised and depreciation charged on a straight-line basis over periods ranging from three to seven years, based on an asset's expected useful economic life.

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

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

## 10. Intangible assets

All intangible assets are considered to have finite lives which will be determined by the assessed useful economic life and the period of any contractual or legal rights (including any renewal periods where the cost of renewal is not significant). Intangible assets in the course of development are not capitalised until they are brought into use. After initial recognition, assets are stated at cost less accumulated impairment. Intangibles are amortised on a straight-line basis over their useful economic lives of 5 years.

## 11. Non-current asset investments

Non-Current Investments are initially recognised at cost and subsequently measured at fair value at each reporting date. All gains and losses on non-current asset investments are recognised in the Statement of Comprehensive Income as they accrue.

## 12. Stock

Stocks of catering supplies are valued at the lower of cost or net realisable value based on 'first in first out'. Where necessary, provision is made for slow-moving stock.

## 13. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they

are, in practice, available within 24 hours without penalty.

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

#### **14. Trade and other receivables**

Receivables are the amounts owed to the University by debtors. Receivables include debtors not due (when an invoice is raised by the University but is not yet due for payment) and overdue debtors (when the due date has passed). Trade and other receivables are recognised at the settlement amount due after any trade discount offered.

A provision for impairment of trade receivables is established when there is objective evidence that the University will not be able to collect all amounts due. The amount of the provision is recognised in the Statement of Comprehensive Income.

A prepayment is the settlement of a debt or instalment payment before its due date. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### **15. Trade and other payables**

Payables are the amounts owed by the University to creditors, presented as a liability on the Statement of Financial Position. Income received in advance of performance 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.

#### **16. 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 an outflow of economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

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

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

#### **17. Reserves**

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment

to the University, are held as a permanent 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.

## **18. Taxation**

The University is an exempt Charity within the meaning of the Trustee Investment and Charities (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 maintained by the Office of Scottish Charity Regulator.

It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax (VAT).

Irrecoverable VAT on expenditure (revenue and capital) is included in the costs of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

## **19. Critical accounting judgements and key sources of estimation uncertainty**

In preparing the financial statements, management is required to make estimates and assumptions which affect the application of accounting policies and

reported income, expenses, assets and liabilities. These estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the University.

The University Court is satisfied that the accounting policies are appropriate and applied consistently.

### **KEY SOURCES OF ESTIMATION**

#### **UNCERTAINTY**

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

#### ***Useful lives of property, plant and equipment***

Property, plant and equipment represent a significant proportion of the University's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the University's reported performance.

Where assets are funded by a capital grant which is deferred, the grant is amortised over the useful life of the asset. Like depreciation, therefore, the estimated useful lives can have a significant impact on the deferred capital grant released to income and the University's reported performance.

Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events.

The carrying value of tangible assets and the annual depreciation charge for the year are set out in note 10 and deferred capital grant balances and releases are set out in note 15.

#### ***Recoverability of debtors***

The provision for doubtful debts is based on our estimate of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically, coupled with current economic knowledge. The provision is based on the current situation of the customers, the age profile of the debt and the nature of the amount due.

#### ***Obligations under the Tayside Pension Fund***

The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. The assumptions of the scheme's actuary have been reviewed and are considered reasonable and appropriate.

Due to the complexity of the evaluation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty.

Recognising that, the financial impact of that uncertainty is quantified in the sensitivity

analysis of the principal assumptions used to measure the scheme liabilities included in note 16.

#### **KEY SOURCES OF JUDGEMENT UNCERTAINTY**

The judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

##### ***Multi-employer pension scheme***

Management are satisfied that the Scottish Teachers' Pension Scheme and the Universities Superannuation Scheme meet the definition of a multi-employer scheme, i.e. a scheme for entities not under common control. As the University is unable to identify its share of the underlying assets and liabilities in that multi-employer defined benefit scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme.

##### ***Tayside Pension Fund - Pension Asset***

The quantum of the asset ceiling calculated by the actuary and applied in the assessment of the recognition of the pension surplus is a key area of judgement, materially impacting the Statement of Financial Position's net assets.

##### ***Leases***

Management make judgement in determining whether a lease should be defined as an operating lease or a finance lease by considering the extent that risks and rewards associated with the ownership of the asset have been transferred to the University. The University has not identified any of its leases as finance leases.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Tuition fees and education contracts

|  | 2025<br>£000  | 2024<br>£000  |
|--|---------------|---------------|
| Scottish and EU student fees                                 |               |               |
| Undergraduate  | 5,221         | 5,472         |
| Postgraduate taught  | 1,226         | 785           |
| Postgraduate research  | 70            | 80            |
|  | <b>6,517</b>  | <b>6,337</b>  |
| RUK student fees   |               |               |
| Undergraduate  | 1,936         | 1,609         |
| Postgraduate taught  | 318           | 257           |
| Postgraduate research  | 35            | 22            |
|  | <b>2,289</b>  | <b>1,888</b>  |
| International fees   | <b>4,425</b>  | 3,648         |
| Other fees   | <b>11</b>     | 141           |
| <b>Total</b>   | <b>13,242</b> | <b>12,014</b> |
| Supplementary analysis by full-time/part-time mode of study: |               |               |
| Full-time  |               |               |
| Scottish & EU students                                       | 5,523         | 5,543         |
| RUK students   | 2,045         | 1,643         |
| International students                                       | 4,051         | 3,413         |
|  | <b>11,619</b> | 10,599        |
| Part-time  |               |               |
|  | <b>1,623</b>  | 1,415         |
| <b>Total</b>   | <b>13,242</b> | <b>12,014</b> |

### 2. Funding body grants

|                      | 2025<br>£000  | 2024<br>£000 |
|----------------------|---------------|--------------|
| SFC recurrent grants |               |              |
| Teaching grant       | 16,331        | 17,459       |
| Research grant       | 2,000         | 1,941        |
| Regional coherence   | 912           | 912          |
|                      | <b>19,243</b> | 20,312       |
| SFC specific grants  |               |              |
| Capital maintenance  | 129           | 100          |
| Wider access         | 316           | 284          |
| Other                | 34            | 105          |
|                      | <b>479</b>    | 489          |
| <b>Total</b>         | <b>19,722</b> | 20,801       |

### 3. Research grant and contract income

|   | 2025<br>£000 | 2024<br>£000 | Restated |
|---|--------------|--------------|----------|
| Research councils   |              |              |          |
| Art and Humanities Research Council (AHRC)                    | 1,298        | 1,238        |          |
| Biotechnology & Biological Sciences Research Council (BBSRC)  | 48           | 66           |          |
| Economic and Social Research Council (ESRC)                   | 57           | (3)          |          |
| Engineering and Physical Sciences Research Council (EPSRC)    | 63           | 21           |          |
| Medical Research Council (MRC)                                | 1            | 21           |          |
| Royal Society, British Academy and Royal Society of Edinburgh | 18           | -            |          |
| UKRI  | 300          | 109          |          |
|   | <b>1,785</b> | 1,452        |          |
| EU  | 162          | 349          |          |
| Other   | 47           | 33           |          |
| UK Charities  | 415          | 479          |          |
| UK Government   | 1,137        | 365          |          |
| UK Industry   | 130          | 112          |          |
| <b>Total</b>  | <b>3,676</b> | 2,790        |          |

### 4. Other income

|   | 2025<br>£000 | 2024<br>£000 |
|---|--------------|--------------|
| Commercial income (including residences and catering) | 414          | 395          |
| SFC Grant SPPA Pension Contribution                   | 313          | 285          |
| Release of deferred capital grant                     | 366          | 317          |
| Other income  | 2,517        | 2,032        |
| <b>Total</b>  | <b>3,610</b> | 3,029        |

### 5. Investment income

|   | 2025<br>£000 | 2024<br>£000 |
|---|--------------|--------------|
| Interest on bank deposits                 | 724          | 672          |
| Income from non-current asset investments | 391          | 369          |
| <b>Total</b>                              | <b>1,115</b> | 1,038        |

## 6. Donations and endowments

|                             | 2025<br>£000 | 2024<br>£000 |
|-----------------------------|--------------|--------------|
| New endowments              | -            | -            |
| Donations with restrictions | 25           | 1            |
| Unrestricted donations      | (19)         | 7            |
| <b>Total</b>                | <b>6</b>     | <b>8</b>     |

## 7. Staff

|                                       | 2025<br>£000  | 2024<br>£000  |
|---------------------------------------|---------------|---------------|
| <b>a. Staff costs</b>                 |               |               |
| Wages and salaries                    | 21,950        | 20,634        |
| Social security costs                 | 2,454         | 2,322         |
| Employer pension contributions        | 4,639         | 4,150         |
| Severance costs                       | 59            | 320           |
| FRS102 Pension Service cost (note 16) | (235)         | (155)         |
| <b>Total staff costs</b>              | <b>28,867</b> | <b>27,271</b> |

### b. Staff numbers

The average number of staff employed by the University expressed as full time equivalents was:

|                            | 2025<br>FTE | 2024<br>FTE |
|----------------------------|-------------|-------------|
| Academic staff             | 193         | 192         |
| Support staff              | 255         | 242         |
| <b>Total staff numbers</b> | <b>448</b>  | <b>434</b>  |

### c. Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Abertay University considers its Key Management Personnel to be the Executive Group, made up of Principal and Vice Chancellor, Deputy Principal and Deputy Vice Chancellor, Vice-Principal and University Secretary, Director of Finance, Infrastructure and Corporate Services and the Director of People and Organisational Development.

|  | 2025<br>FTE | 2024<br>FTE |
|--|-------------|-------------|
| <b>Key management personnel compensation</b> | <b>607</b>  | <b>678</b>  |

#### d. Emoluments of the Principal

Salary  
Employer's contribution to pension  
**Total emoluments**

|                                    | 2025<br>£000 | 2024<br>£000 |
|------------------------------------|--------------|--------------|
| Salary                             | 215          | 212          |
| Employer's contribution to pension | 56           | 51           |
| <b>Total emoluments</b>            | <b>271</b>   | <b>263</b>   |

The ratio of the remuneration of the Principal (excluding employers NI) to the median salary of all other staff (excluding employers NI) is 5.3 : 1 (2024: 5.3 : 1).

#### e. Higher paid staff

The number of higher paid staff, including senior post-holders, above a threshold of total emoluments (excluding pension contributions and compensation for loss of office) of £100,000, in bands of £10,000, was:

|  | 2025<br>Number | 2024<br>Number |
|--|----------------|----------------|
| £100,001-£110,000                        | 1              | -              |
| £110,001-£120,000                        | 1              | 2              |
| £130,001-£140,000                        | -              | -              |
| £140,001-£150,000                        | -              | -              |
| £150,001-£160,000                        | -              | 1              |
| <b>Total number of higher paid staff</b> | <b>2</b>       | <b>3</b>       |

#### f. Compensation for loss of office payable to senior post holders

The aggregate amount of any compensation for loss of office payable to any member of staff earning more than £100,000 per annum, or where the costs of all elements of a proposed arrangement amount to more than £100,000, together with the number of people to whom this was payable, was:

|          | 2025<br>Number | 2025<br>£000 | 2024<br>Number | 2024<br>£000 |
|----------|----------------|--------------|----------------|--------------|
| Payments | 1              | 15           | -              | -            |

#### g. Court members remuneration and expenses

The University Court members are the trustees for charitable law purposes.

The only member of Court remunerated for their role on Court is the Chair of Court. In 2025, the Chair of Court, Mr David Brew, received remuneration of £17k (2024: £17k).

The total expenses paid to or on behalf of 10 (2024: 11) Court members was £16k (2024: £14k), which includes £2k (2024: £2k) in expenses paid to the Chair of Court. This represents travel and

subsistence expenses incurred in attending Court, Committee Meetings, and charity events in their official capacity, meetings in both years were a mix of in-person and online.

## 8. Interest and other finance costs

|                                      | 2025<br>£000 | 2024<br>£000 |
|--------------------------------------|--------------|--------------|
| Loan interest                        | <b>45</b>    | 22           |
| Net cost on pension scheme (note 16) | <b>22</b>    | 8            |
| <b>Total</b>                         | <b>67</b>    | 30           |

## 9. Analysis of total expenditure by activity

|                                   | Staff costs<br>£000 | Other operating expenses<br>£000 | Depreciation & amortisation<br>£000 | Interest & other finance costs<br>£000 | 2025          | 2024   |
|-----------------------------------|---------------------|----------------------------------|-------------------------------------|--|---------------|--------|
|                                   |                     |                                  |                                     |  | £000          | £000   |
| Academic departments              | 14,361              | 870                              | 197                                 | -                                      | <b>15,428</b> | 15,051 |
| Academic services                 | 3,424               | 1,964                            | 2                                   | -                                      | <b>5,390</b>  | 4,910  |
| Administration & central services | 7,830               | 4,303                            | 835                                 | 45                                     | <b>13,012</b> | 12,790 |
| Premises                          | 1,283               | 1,943                            | 2,466                               | -                                      | <b>5,693</b>  | 5,965  |
| Residences & catering             | -                   | -                                | -                                   | -                                      | -             | (10)   |
| Research grants & contracts       | 2,204               | 1,484                            | -                                   | -                                      | <b>3,688</b>  | 2,790  |
| Pension cost adjustment           | (235)               | -                                | -                                   | 22                                     | <b>(213)</b>  | (147)  |
| Other                             | -                   | -                                | -                                   | -                                      | -             | 318    |
| <b>Total</b>                      | <b>28,867</b>       | <b>10,564</b>                    | <b>3,500</b>                        | <b>67</b>                              | <b>42,998</b> | 41,667 |

Included on the Other Operating costs above are:

|  | 2025<br>£000 | 2024<br>£000 |
|--|--------------|--------------|
| External Auditor's remuneration in respect of audit services     | <b>60</b>    | 62           |
| External Auditor's remuneration in respect of non-audit services | <b>3</b>     | 14           |
| Internal Auditor's remuneration in respect of audit services     | <b>55</b>    | 84           |

## 10. Tangible fixed assets

|                                 | Freehold<br>land and<br>buildings<br>£000 | Equipment<br>£000 | AIC-<br>Freehold<br>land and<br>buildings<br>£000 | Total<br>£000   |
|---------------------------------|---|-------------------|---|-----------------|
| <b>Cost</b>                     |   |                   |   |                 |
| At 1 August 2024                | 64,038                                    | 9,013             | 1,633   | 74,684          |
| Additions                       | 1,660                                     | 958               | 413   | 3,031           |
| AIC released 24/25              | 481                                       | -                 | (481)   | -               |
| Disposals                       | -   | (710)             |   | (710)           |
| <b>At 31 July 2025</b>          | <b>66,179</b>                             | <b>9,261</b>      | <b>1,565</b>                                      | <b>77,005</b>   |
| <b>Accumulated depreciation</b> |   |                   |   |                 |
| At 1 August 2024                | (23,212)                                  | (6,285)           | -   | (29,497)        |
| Charge for year                 | (2,475)                                   | (795)             | -   | (3,270)         |
| Eliminated on disposals         | -   | 710               | -   | 710             |
| <b>At 31 July 2025</b>          | <b>(25,687)</b>                           | <b>(6,370)</b>    | <b>-</b>  | <b>(32,057)</b> |
| <b>Net book value</b>           |   |                   |   |                 |
| <b>At 31 July 2025</b>          | <b>40,493</b>                             | <b>2,891</b>      | <b>1,565</b>                                      | <b>44,948</b>   |
| At 31 July 2024                 | 40,826                                    | 2,728             | 1,633   | 45,187          |

## 11. Intangible assets

|                                    | IT Cloud<br>solution<br>£000 | Total<br>£000 |
|------------------------------------|------------------------------|---------------|
| <b>Cost</b>                        |                              |               |
| At 1 August 2024                   | 1,122                        | 1,122         |
| <b>At 31 July 2025</b>             | <b>1,122</b>                 | <b>1,122</b>  |
| <b>Amortisation and impairment</b> |                              |               |
| At 1 August 2024                   | (603)                        | (603)         |
| Charge for year                    | (230)                        | (230)         |
| <b>At 31 July 2025</b>             | <b>(833)</b>                 | <b>(833)</b>  |
| <b>Net book value</b>              |                              |               |
| <b>At 31 July 2025</b>             | <b>289</b>                   | <b>289</b>    |
| At 31 July 2024                    | 519                          | 519           |

## 12. Non-current investments

|                                       | Unlisted<br>investments<br>£000 | Listed<br>investments<br>£000 | 2025<br>£000   | 2024<br>£000  |
|---------------------------------------|---------------------------------|-------------------------------|----------------|---------------|
| As 1 August 2024                      | 25                              | 12,490                        | <b>12,515</b>  | 11,423        |
| Additions                             | -                               | 2,897                         | <b>2,897</b>   | 2,156         |
| Disposals                             | -                               | (2,254)                       | <b>(2,254)</b> | (2,315)       |
| Appreciation on disposals/revaluation | -                               | 519                           | <b>519</b>     | 1,251         |
| <b>At 31 July 2025</b>                | <b>25</b>                       | <b>13,652</b>                 | <b>13,677</b>  | <b>12,515</b> |

## 13. Trade and other receivables

|                                  | 2025<br>£000 | 2024<br>£000 |
|----------------------------------|--------------|--------------|
| Trade debtors                    | <b>581</b>   | 300          |
| Student debtors                  | <b>182</b>   | 76           |
| Prepayments:                     |              |              |
| General (individual items <£50k) | <b>1,402</b> | 1,738        |
| Research project income          | <b>394</b>   | 839          |
| <b>Total</b>                     | <b>2,559</b> | 2,953        |

## 14. Creditors: amounts falling due within one year

|   | 2025<br>£000  | 2024<br>£000 | Restated |
|---|---------------|--------------|----------|
| Trade payables                              | <b>398</b>    | 589          |          |
| Other payables: Student accounts            | <b>2,676</b>  | 1,239        |          |
| Other                                       | <b>91</b>     | 82           |          |
| Social security and other taxation payable  | <b>1,239</b>  | 1,114        |          |
| Deferred Income – Research project income   | <b>1,857</b>  | 1,746        |          |
| Unsecured loans due within one year         | <b>1,116</b>  | 738          |          |
| Deferred Capital grants due within one year | <b>420</b>    | 347          |          |
| Accruals: Tuition fees                      | <b>561</b>    | 278          |          |
| SFC   | <b>2,887</b>  | 2,061        |          |
| Severance                                   | -             | 91           |          |
| Contract works/Purchase orders              | -             | 16           |          |
| Other                                       | <b>406</b>    | 431          |          |
| <b>Total</b>                                | <b>11,653</b> | 8,732        |          |

## 15. Creditors: amounts falling due after more than one year

|  | 2025<br>£000  | 2024<br>£000 |
|--|---------------|--------------|
| Deferred capital grants due after one year           | <b>4,769</b>  | 4,849        |
| Unsecured loans due after one year                   | <b>16,715</b> | 7,909        |
|  | <b>21,484</b> | 12,758       |
| <b>Analysis of unsecured loans</b>                   |               |              |
| Due within one year or on demand                     | <b>1,116</b>  | 738          |
| Due after more than one year:                        |               |              |
| Due between one and two years                        | <b>975</b>    | 738          |
| Due between two and five years                       | <b>2,863</b>  | 2,063        |
| Due in five years or more                            | <b>12,877</b> | 5,108        |
|  | <b>16,715</b> | 7,909        |
| Total of unsecured loans                             | <b>17,831</b> | 8,647        |
| Unsecured loans repayable by 2030, interest 0.25% pa | <b>167</b>    | 321          |
| Unsecured loans repayable by 2041, interest 0.25% pa | <b>7,764</b>  | 8,326        |
| Unsecured loans repayable by 2050, interest 1% pa    | <b>9,900</b>  | -            |
|  | <b>17,831</b> | 8,647        |

The University's unsecured loans are from the Scottish Funding Council. None of the University's loans have any financial covenants associated with them.

## 16. Pensions

### a. Pension schemes

Staff are eligible to join one of four pension schemes:

- The Scottish Teachers' Pension Scheme (SPSS) - a defined benefit scheme, which is the default scheme for academic staff.
- The local government pension scheme, the Tayside Pension Fund (TPF) - the legacy defined benefit scheme for support staff, closed to new entrants from 30 September 2022.
- The Universities Superannuation Scheme (USS) – a hybrid defined benefit/defined contributions scheme, normally reserved for staff who have transferred from another institution, where they were already a USS member.
- Abertay University Pension Scheme (AU) – a defined contribution scheme, administered by Legal & General, which opened on 1 October 2022 is the default scheme for support staff, following TPF's closure to new entrants, and is also open to academic staff who chose not to join one of the other schemes available to academic staff.

Pension figures presented in this report are only for the purposes of SORP accounting. In particular, they are not relevant for calculations undertaken for pension scheme funding purposes or for other statutory purposes under UK pension legislation.

**b. Pensions as reported in the Statement of Comprehensive Income and Expenditure**

During the year to 31 July the total cost of these pension arrangements for the University was £4,639k (2024: £4,150k). This includes £nil (2024: nil) of outstanding contributions at the balance sheet date.

|                           | <b>2025</b><br><b>£000</b> | 2024<br>£000 |
|---------------------------|----------------------------|--------------|
| STPS                      | <b>2,728</b>               | 2,466        |
| TPF                       | <b>1,387</b>               | 1,355        |
| USS                       | <b>61</b>                  | 60           |
| AUPS                      | <b>463</b>                 | 269          |
| <b>Total pension cost</b> | <b>4,639</b>               | 4,150        |

**c. Pension provisions and assets as reported on the Statement of Financial Position**

|                  | STSS<br>£000 | USS<br>£000 | TPF<br>£000 | <b>2025</b><br><b>£000</b> | 2024<br>£000 |
|------------------|--------------|-------------|-------------|----------------------------|--------------|
| At 1 August      | -            | -           | 244         | <b>244</b>                 | 423          |
| Movement in year | -            | -           | (28)        | <b>(28)</b>                | (179)        |
| At 31 July       | -            | -           | 216         | <b>216</b>                 | 244          |

**Shown as:**

|                   |   |   |       |              |       |
|-------------------|---|---|-------|--------------|-------|
| Pension asset     | - | - | -     | -            | -     |
| Pension provision | - | - | (216) | <b>(216)</b> | (244) |

**d. Scottish Teachers Pension Scheme**

Abertay University participates in the Scottish Teachers' Superannuation Scheme. The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations.

Abertay University has no liability for other employers' obligations to the multi-employer scheme. As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme. The scheme is an unfunded multi-employer defined benefit scheme. It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the Abertay University is unable to identify its share of the underlying assets and liabilities of the scheme.

The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. Superseding the 2016 valuation which set employer contribution rates at 23% until 31 March 2023 and on UK Government instructions up to 31 March 2024, the conclusion of the valuation carried out as at 31 March 2020 confirmed an increase in the employer contribution rate to 26.0% from 1 April 2024 to 31 March 2027. Similarly, the contribution rates paid by members, which are related to the band in which their annual earnings lie, remained within the range of 7.2% to 11.9% (anticipated to deliver a yield of 9.4%) until they were superseded, from 1 April 2024, to be within a range of 7.35% to 12.14% (anticipated to deliver a yield of 9.6%).

While a valuation was carried out as at 31 March 2016, it is not possible to say what deficit or surplus may affect future contributions. Work on the valuation was suspended by the UK Government pending the decision from the Court of Appeal (McCloud (Judiciary scheme)/Sargeant (Firefighters' Scheme) cases) that held that the transitional protections provided as part of the 2015 reforms was unlawfully discriminated on the grounds of age. Following consultation and an announcement in February 2021 on proposals to remedy the discrimination, the UK Government confirmed that the cost control element of the 2016 valuations could be completed. The UK Government has also asked the Government Actuary to review whether, and to what extent, the cost control mechanism is meeting its original objectives. The 2020 actuarial valuations will take the report's findings into account. The interim report is complete (restricted) and is currently being finalised with a consultation.

#### e. Tayside Pension Fund

The Tayside Pension Fund provides benefits on final pensionable salary for employees of local government and some other institutions, including Abertay University. This scheme, a multi-employer defined benefits scheme, covers both past and present employees. Although employees who are already members of the Tayside Pension Fund can continue to contribute and receive benefits the University has closed access to the Fund for new entrants.

An actuarial valuation of Tayside Pension Fund was carried out as of 31 March 2023. The purpose was to review the financial position of the Fund and to set appropriate contribution rates for each employer in the Fund for the period from 1 April 2024 to 31 March 2027 (3-year period). Employer's contributions are set to cover any shortfall between the assumed cost of providing benefits built up by members at the valuation date and the assets held by the Fund and to also cover the cost of benefits that active members will build up in the future.

The 2023 valuation set the University's employer contributions for the period 1 April 2024-31 March 2025 at 21.5%, rising to 23.0% for the period 1 April 2025 – 31 March 2026 and to 24.4% for the period 1 April 2026 – 31 March 2027. The employees' contributions are fixed by statute. 1st April 2009 introduced the application of tiered banded contributions at various rates from 5.5% to 12% depending upon the individual level of remuneration.

An FRS102 valuation of the University's benefit obligations, for inclusion in these accounts, has been estimated by a qualified independent actuary and the assumptions are as at 31 July 2025.

That valuation identified that the closing fair value of the schemes assets exceeded the closing defined benefit obligations, resulting in a defined benefit plan surplus. Such a surplus can be

recognised to the extent that the University can recover the surplus through refunds from the plan or reductions in future contributions. However, applying the assumption that the employer has no unconditional right to a refund from the Fund and that to receive any refund, the employer would need to end its ongoing participation in the fund, the actuary has calculated an asset ceiling which reduces the University's pension surplus to £nil.

## Actuarial Assumptions

The principal actuarial assumptions at the end of the year were as follows:

### Financial assumptions

|                   | 2025<br>£000 | 2024<br>£000 |
|-------------------|--------------|--------------|
| Discount rate     | <b>5.8%</b>  | 5.0%         |
| Pension increases | <b>2.8%</b>  | 2.9%         |
| Salary increases  | <b>3.8%</b>  | 3.9%         |

### Demographic / Statistical Assumptions

The post-retirement mortality tables adopted are the S3PA\_H with a multiplier of 105/115%. These base tables are then projected using the CMI\_2023 Model, allowing for a long-term rate of improvement of 1.25% p.a.

Although the post-retirement mortality tables adopted are consistent with the previous accounting date, the mortality improvement projection has been updated to use the latest version of the Continuous Mortality Investigation's model, CMI\_2023. The actuary has adopted the default smoothing parameter of 7.0 and has not applied an additional initial rate, while continuing to adopt a long-term improvement rate of 1.25% p.a.

### Life expectancy from age 65 (years)

|                      | 2025<br>£000           | 2024<br>£000 |
|----------------------|------------------------|--------------|
| Retiring today       | Males<br><b>19.1</b>   | 18.8         |
|                      | Females<br><b>21.7</b> | 21.6         |
| Retiring in 20 years | Males<br><b>20.5</b>   | 20.2         |
|                      | Females<br><b>23.2</b> | 23.1         |

### Estimated asset allocation

|                     | 2025           |             | 2024    |      |
|---------------------|----------------|-------------|---------|------|
|                     | £000           | %           | £000    | %    |
| Equities            | <b>80,828</b>  | 68%         | 79,197  | 77%  |
| Gilts               | <b>7,212</b>   | 6%          | 6,878   | 7%   |
| Other bonds         | <b>7,405</b>   | 6%          | 5,149   | 5%   |
| Property            | <b>20,725</b>  | 17%         | 9,506   | 9%   |
| Cash                | <b>2,378</b>   | 2%          | 2,030   | 2%   |
| Alternatives        | <b>(2)</b>     | 0%          | 75      | 0%   |
| <b>Total assets</b> | <b>118,546</b> | <b>100%</b> | 102,835 | 100% |

### Analysis of the amounts charged to the Statement of Comprehensive Income and Expenditure

|   | 2025<br>£000 | 2024<br>£000 |
|---|--------------|--------------|
| Service cost                                  | <b>1,259</b> | 1,349        |
| Net interest on the defined liability/(asset) | <b>(26)</b>  | (26)         |
| Administration expenses                       | <b>44</b>    | 43           |
| <b>Total pension cost</b>                     | <b>1,281</b> | 1,366        |

|   | 2025<br>£000    | 2024<br>£000 |
|---|-----------------|--------------|
| Return on fund assets in excess of interest                           | <b>12,167</b>   | 87           |
| Other actuarial gains/(losses) on assets                              | -               | 826          |
| Change in financial assumptions                                       | <b>9,862</b>    | (2,349)      |
| Change in demographic assumptions                                     | <b>(381)</b>    | 222          |
| Experience gain/(loss) on defined benefit obligation                  | <b>(636)</b>    | (5,269)      |
| Asset ceiling adjustment  | <b>(21,197)</b> | 6,287        |
| <b>Actuarial (loss)/gain recognised in other comprehensive income</b> | <b>(185)</b>    | (196)        |

### Analysis of movements in present value of scheme liabilities

|   | 2025<br>£000   | 2024<br>£000 |
|---|----------------|--------------|
| Opening defined benefit obligation                          | <b>75,508</b>  | 65,861       |
| Current service cost  | <b>1,184</b>   | 1,245        |
| Interest cost   | <b>3,703</b>   | 3,333        |
| Change in financial assumptions                             | <b>(9,862)</b> | 2,349        |
| Change in demographic assumptions                           | <b>381</b>     | (222)        |
| Experience loss/(gain) on defined benefit obligation        | <b>636</b>     | 5,269        |
| Estimated benefits paid net of transfers-in                 | <b>(3,378)</b> | (2,837)      |
| Past service costs, including curtailments                  | <b>75</b>      | 104          |
| Contributions by scheme participants and other employers    | <b>402</b>     | 439          |
| Unfunded pension payments                                   | <b>(34)</b>    | (33)         |
| <b>Actuarial value of scheme liabilities at end of year</b> | <b>68,615</b>  | 75,508       |

### Reconciliation of opening & closing balances of the fair value of Fund assets

|   | 2025<br>£000   | 2024<br>£000 |
|---|----------------|--------------|
| Opening fair value of fund assets                         | <b>102,835</b> | 97,875       |
| Interest on assets  | <b>5,104</b>   | 5,017        |
| Return on assets less interest                            | <b>12,167</b>  | 87           |
| Other actuarial gains/(losses)                            | -              | 826          |
| Administration expenses                                   | <b>(44)</b>    | (43)         |
| Contributions by employer including unfunded              | <b>1,494</b>   | 1,504        |
| Contributions by scheme participants and other employers  | <b>402</b>     | 439          |
| Estimated benefits paid plus unfunded net of transfers-in | <b>(3,412)</b> | (2,870)      |
| <b>Closing fair value of fund assets</b>                  | <b>118,546</b> | 102,835      |

### Analysis of amounts shown in the Statement of Financial Position

|   | 2025<br>£000    | 2024<br>£000 |
|---|-----------------|--------------|
| Present value of the defined benefit obligation | <b>68,399</b>   | 75,264       |
| Fair value of fund assets                       | <b>118,546</b>  | 102,835      |
| Pension surplus                                 | <b>(50,147)</b> | (27,571)     |
| Impact of asset ceiling                         | <b>50,147</b>   | 27,571       |
| Present value of unfunded obligation            | <b>216</b>      | 244          |
| <b>Defined benefit liability at end of year</b> | <b>216</b>      | 244          |

## Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the TPF scheme liabilities and projected service cost are set out below: Present value of total obligation is before asset ceiling.

|   | £000          | £000           | £000         | £000          | £000           |
|---|---------------|----------------|--------------|---------------|----------------|
| <b>Adjustment to discount rate</b>                            | <b>+0.50%</b> | <b>+0.10%</b>  | <b>0.00%</b> | <b>-0.10%</b> | <b>-0.50%</b>  |
| Present value of total obligation                             | 63,842        | 67,615         | 68,615       | 69,639        | 73,992         |
| Projected service cos   | 771           | 877            | 906          | 935           | 1,063          |
| <b>Adjustment to long term salary increase</b>                | <b>+0.50%</b> | <b>+0.10%</b>  | <b>0.00%</b> | <b>-0.10%</b> | <b>-0.50%</b>  |
| Present value of total obligation                             | 68,970        | 68,685         | 68,615       | 68,546        | 68,272         |
| Projected service cost  | 906           | 906            | 906          | 906           | 906            |
| <b>Adjustment to pension increases and deferred valuation</b> | <b>+0.50%</b> | <b>+0.10%</b>  | <b>0.00%</b> | <b>-0.10%</b> | <b>-0.50%</b>  |
| Present value of total obligation                             | 73,773        | 69,598         | 68,615       | 67,655        | 64,034         |
| Projected service cos   | 1,070         | 937            | 906          | 876           | 765            |
| <b>Adjustment to life expectancy assumptions</b>              |               | <b>+1 Year</b> | <b>None</b>  |               | <b>-1 Year</b> |
| Present value of total obligation                             |               | 71,350         | 68,615       |               | 65,996         |
| Projected service cost  |               | 944            | 906          |               | 869            |

### f. Universities Superannuation Scheme

Abertay University offers participation in the Universities Superannuation Scheme (USS) to staff who join from other institutions, where they are already members of that scheme. USS is a defined benefit scheme, contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited.

The scheme is an unfunded multi-employer defined benefit scheme. It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the Abertay University is unable to identify its share of the underlying assets and liabilities of the scheme.

Active members build a defined benefit pension (the “Retirement Income Builder”) at a rate of 1/75th of their salary each year, up to a salary threshold (£70,296 in 2024/25), and can also build a defined contribution savings pot in the “Investment Builder” for earnings above that threshold.

The University is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the University’s employees. During the year the University contributions were 14.5%. Employee contributions were 6.1%

A deficit recovery plan was put in place as part of the 2020 valuation. It required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recovery plan was required under the 2023 valuation because the scheme was

in surplus on a technical provisions basis. The institution was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the statement of income and expenses in the prior year.

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

Since the institution cannot identify its share of the 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 £73.1bn and the value of the scheme's technical provisions was £65.7bn indicating a surplus of £7.4bn and a funding ratio of 111%.

Given that the valuation indicated that the scheme was now in surplus, the outstanding provision to fund past deficits was released during 2023/24, and no further provision has since been made.

### ***Financial assumptions***

The key financial assumptions used in the 2023 valuation are described below.

|  |  |
|--|--|
| Price inflation – Consumer Prices Index (CPI)    | 3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations)  |
| RPI/CPI gap                                      | 1.0% p.a. to 2030, reducing to 0.1% p.a. from 2030   |
| Discount rate                                    | Fixed interest gilt yield curve plus:<br>Pre-retirement: 2.5% pa<br>Post-retirement: 0.9% pa   |
| Pension increases (all subject to a floor of 0%) | Benefits with no cap: CPI assumption plus 3bps<br>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 |

### ***Demographic assumptions***

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

|                                  |  |
|----------------------------------|--|
| 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 0.40% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.80% p.a. for males and 1.60% p.a. for females |

| <b>The current life expectancies at on retirement age at 65 are:</b> | <b>2025</b> | <b>2024</b> |
|--|-------------|-------------|
| Males currently aged 65 (years)                                      | <b>23.8</b> | 23.7        |
| Females currently aged 65 (years)                                    | <b>25.5</b> | 25.6        |
| Males currently aged 45 (years)                                      | <b>25.7</b> | 25.4        |
| Females currently aged 45 (years)                                    | <b>27.2</b> | 27.2        |

### g. Abertay University Pension Scheme

Abertay University Pension Scheme (AUPS) is a defined contribution pension scheme, opened to provide retirement benefits to support staff joining Abertay University, after 1 October 2022, following Abertay's closure of the TPF to new entrants. Whilst existing academic and support staff employed by the University before October 2022 can remain in their respective pension schemes, AUPS is available as an option to any existing or future staff who wish to join it. This includes current staff who are not a member of any of the University pension schemes because they previously chose to opt out.

The scheme has a default contribution will for new entrants of 4% of their pensionable salary and Abertay University will make an employer's contribution of 13%. Employees can choose to vary their contribution, from 0%, where the University will pay an 9% employer contribution; and for every 1% additional employee contribution up to 7%, the University will contribute an additional 1%, up to a total employer contribution of 16%.

The scheme includes group life assurance providing cover for death in and a group income protection scheme, which makes provision for eligible employees that are unable to work long-term for health reasons, both paid for by the University.

## 17. Endowment Reserves

|   | Unrestricted<br>£000 | Permanent<br>£000 | Expendable<br>£000 | 2025<br>£000 | 2024<br>£000 |
|---|----------------------|-------------------|--------------------|--------------|--------------|
| At 1 August                             | 387                  | 35                | 79                 | <b>501</b>   | 515          |
| New endowments                          | 2                    | -                 | 4                  | <b>4</b>     | 6            |
| Expenditure                             | -                    | (3)               | (14)               | <b>(17)</b>  | (20)         |
| Total endowment<br>comprehensive income | 2                    | (3)               | (10)               | <b>(10)</b>  | (14)         |
| <b>At 31 July</b>                       | <b>389</b>           | <b>32</b>         | <b>69</b>          | <b>491</b>   | 501          |
| Analysis by Purpose:                    |                      |                   |                    |              |              |
| Prize funds                             | -                    | -                 | 69                 | <b>69</b>    | 79           |
| Other funds                             | 389                  | 32                | -                  | <b>419</b>   | 422          |
| <b>Total</b>                            | <b>389</b>           | <b>32</b>         | <b>69</b>          | <b>488</b>   | 501          |

## 18. Restricted Reserve

|                                  | 2025<br>£000 | 2024<br>£000 |
|----------------------------------|--------------|--------------|
| At 1 August                      | <b>76</b>    | 76           |
| Income                           | <b>25</b>    | 1            |
| Expenditure                      | -            | (1)          |
| Total restricted donation income | <b>25</b>    | -            |
| <b>At 31 July</b>                | <b>101</b>   | 76           |
| Analysis by Purpose:             |              |              |
| Research support                 | <b>11</b>    | 72           |
| Prize funds                      | <b>4</b>     | 4            |
| Other funds                      | <b>86</b>    | -            |
| <b>Total</b>                     | <b>101</b>   | 76           |

## 19. Lease obligations

| <b>Total rentals payable under operating leases</b> | 2025<br>£000 | 2024<br>£000 |
|---|--------------|--------------|
| Within 1 year                                       | <b>10</b>    | -            |
| Between 2 and 5 years                               | <b>27</b>    | 46           |
| <b>Total</b>  | <b>37</b>    | 46           |

## 20. Prior-year adjustments

During the year, an issue came to light that requires adjustment of the previously reported financial statements.

Where a Scottish Higher Education Institution's recruitment of home students falls short of SFC's funded student number target by more than 2%, SFC seeks reimbursement of teaching funding relating to the absent student numbers.

It has been the University's practice to apply the clawback in the financial period that SFC intimate its measurement and seek reimbursement, typically 2 years after the event.

Acknowledging the appropriateness of recognising the clawback sum in-year, these accounts

- accrue an accounting estimate of the clawback charge relating to 2024/25; and
- adjust for the amounts estimated to relate to prior periods, resulting in revision of the comparative charges for the prior year, within Funding Body Grants; and adjustment of the 2023/24 Income and Expenditure reserve.

The changes to the reported financial position, as represented in the Statement of Financial Position and in reported financial performance, as represented in the Statement of Comprehensive Income are set out below:

| <b>a. Financial position</b>                                       | <b>1 August<br/>2023</b> | <b>31 July<br/>2024</b> |
|--|--------------------------|-------------------------|
|  | £000                     | £000                    |
| <b>Total reserves, before adjustments</b>                          | <b>53,850</b>            | <b>53,986</b>           |
| Clawback not previously recognised, relating to 2022/23            | (617)                    | (617)                   |
| Clawback not previously recognised, relating to 2023/24            | -                        | (1,410)                 |
| Total effect of adjustment   | (617)                    | (2,027)                 |
| <b>Total reserves, after adjustment</b>                            | <b>53,233</b>            | <b>51,959</b>           |
| <b>b. Financial performance</b>                                    |                          | <b>31 July<br/>2024</b> |
|  |                          | £000                    |
| <b>Total comprehensive income for the year, before adjustments</b> |                          | <b>135</b>              |
| Clawback not previously recognised, relating to 2023/24            |                          | (1,410)                 |
| <b>Total comprehensive income for the year, after adjustments</b>  |                          | <b>(1,275)</b>          |

## 21. Related party transactions

Due to the nature of the University's operations and the composition of the University Court (some of whom are drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a Court member or a member of the Executive Team may have an interest. All transactions involving organisations in which a Court member or an Executive team member may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures.

The University Court consider the relationship that the University has with Abertay University Students Association (AUSA) to have the characteristics of related parties under the Financial Reporting Standard (FRS) 102:

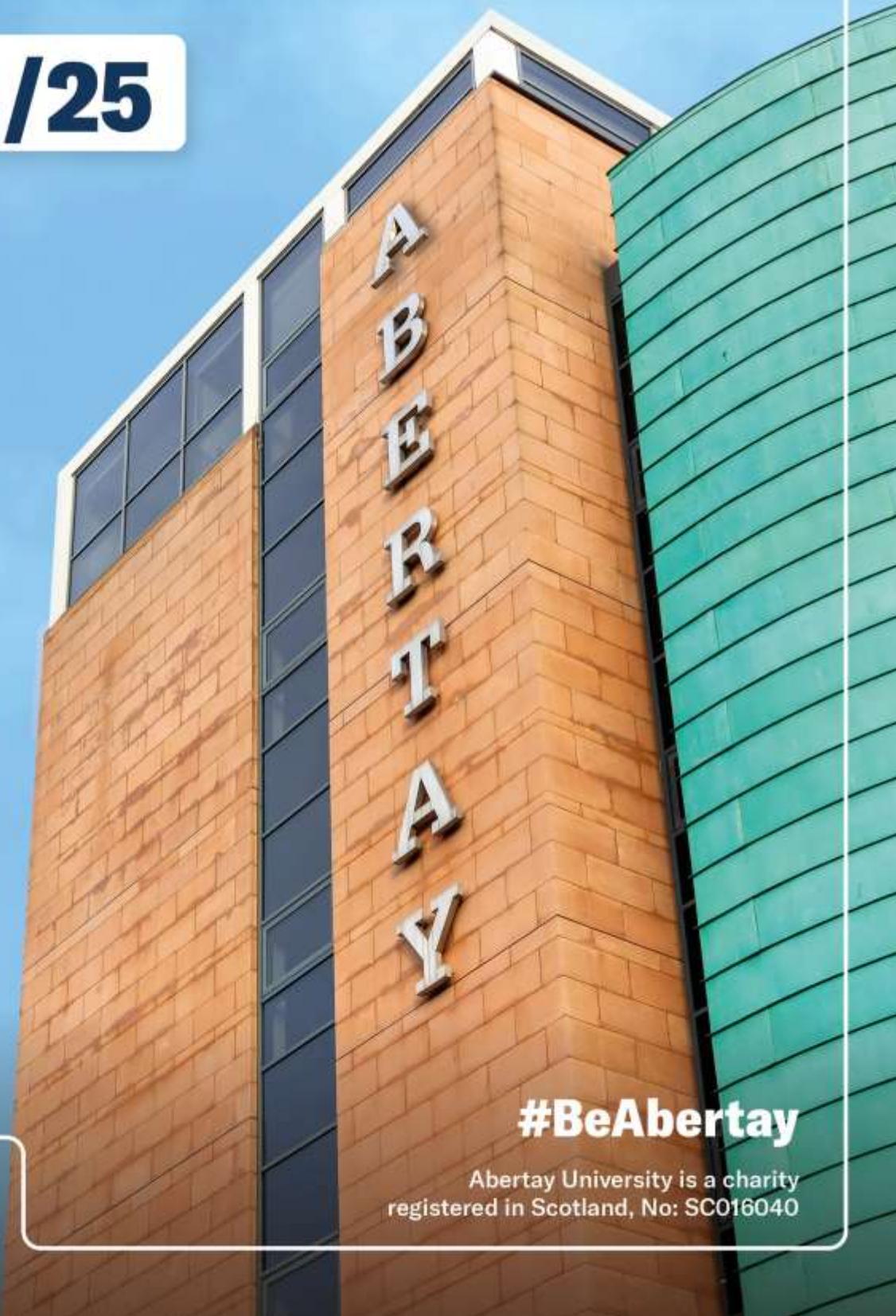
- Grants to AUSA in 2024/25 totalled £274,211 (2024: £285,461, including a supplementary grant agreed in-year of £11,250).
- The balance owed to the University at the year end and included in debtors, is £13,971, including (2024: nil).

## 22. Student support funds

|                                | HE<br>childcare<br>£000 | HE<br>discretionary<br>£000 | Other<br>£000 | 2025<br>£000 | 2024<br>£000 |
|--------------------------------|-------------------------|-----------------------------|---------------|--------------|--------------|
| Balance brought forward        | -                       | -                           | -             | -            | -            |
| Allocation received            | 181                     | 82                          | 6             | 269          | 321          |
| Expenditure                    | (181)                   | (74)                        | -             | (255)        | (311)        |
| <b>Balance carried forward</b> | <b>-</b>                | <b>8,087</b>                | <b>6</b>      | <b>14</b>    | <b>10</b>    |

# ANNUAL REPORT AND FINANCIAL STATEMENTS

**2024/25**



**#BeAbertay**



**Abertay  
University**

Abertay University is a charity  
registered in Scotland, No: SC016040